

**A policy study of the Growth Employment and  
Redistribution (GEAR) with respect to social development  
and adult basic education and training (ABET)**

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## Declaration

This whole thesis, unless specifically indicated to the contrary in the text, is the original work of the author, and has not been submitted for any other degree with any other institution.



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## Abstract

This study analyses the Growth Employment and Redistribution (GEAR) strategy with respect to social development, and adult basic education and training (ABET). Since its adoption as official economic policy, replacing the RDP policy in June 1996, the GEAR strategy has been a subject of much debate, and blamed for all social and economic ills, including job losses and high unemployment, poverty, problems in the education, health and welfare system, as well as poor delivery of social services. Motivated by these debates, the author set out to investigate how GEAR provides/ does not provide for social development and ABET, both areas of interest to the author. This study investigates this question based only on a review of literature.

While the GEAR strategy makes policy proposals in various aspects of the economy, and sets an economic growth target of 6% per annum by the year 2000, and the creation of 400 000 jobs per annum during the same period (all of which were not met), evidence shows no policy provisions in the GEAR strategy with respect to social development, and ABET. In fact, ABET is not mentioned at all in the GEAR strategy. However, the GEAR strategy makes specific mention of the Human Resources Development Strategy, as a vehicle for addressing education and training problems, thereby improving the skills base of the country. The Human Resources Development Strategy and the National Skills Development Strategy sponsored by the DoE and DoL respectively, all seem to be sound policies. There is however growing evidence that South Africa has developed sound policies which it fails to implement because of lack of capacity and financial resources partly due to the government's acceptance of the neoliberal agenda. This appears to be particularly true with respect to social development and ABET targets in the Human Resources Development and the National Skills Development strategies.

This study concludes that the GEAR strategy is based on neoliberal assumptions of stimulating foreign investment, export-led economic growth, global trade and global competition, underpinned by the conception that the state must play a minimal role in the economy and is therefore not appropriate for the social development challenges (especially illiteracy) facing South Africa. If progress is to be made in addressing these challenges in South Africa, an alternative to the GEAR strategy must be found.

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## Chapter one

### Introduction, contextual issues, rationale and outline of chapters

This study analyses the Growth Employment and Redistribution (GEAR) macroeconomic strategy (Department of Finance, 1996) of the post-April 1994 South African government in relation to social development, and to adult basic education and training (ABET). The change of social and economic development policy from the *Reconstruction and Development Programme (RDP): A policy framework* (African National Congress, 1994) to the *GEAR macroeconomic strategy* was met with different reactions from various sectors of society. It was greeted with enthusiasm by the business sector and with skepticism and in some cases discontent by members of the labour movement, who felt betrayed by their comrades who were now in government.

As it will be clear in the next chapters, much political controversy was generated by the introduction of the GEAR macroeconomic strategy, because it was viewed as representing a major shift from progressive values (which characterised the struggle for liberation in the mass democratic movement) to conservative market-oriented values. The government on the other hand, argues in defense of the GEAR macroeconomic strategy that it is just another vehicle for pursuing the same ideals as articulated in the RDP (*Ibid*). For political expediency, the government has to continue using this line of argument because of the high-esteem with which the RDP is regarded by the voters in general and, in particular, members of the tripartite alliance<sup>1</sup>.

The government's defense of its policy appears to be very convincing to the lay person

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<sup>1</sup> The African National Congress (ANC), the South African Communist Party (SACP) and the Congress of South African Trade Unions (COSATU) constitute the tripartite alliance. These organisations formed the alliance based on their opposition to the apartheid regime, and (although recently denied) their support for socialism.

as are statements of condemnation of the government policy by the socialist inclined leaders of the labour movement. This necessitates a study of this nature to analyse the less-talked about underlying beliefs that shape the policy; both what is explicitly stated as policy objectives and what is omitted and possible reasons for those omissions. This study does not pretend or claim to answer all questions about the GEAR macroeconomic strategy; instead it identifies and examines possible contradictions and or inconsistencies between the stated objectives and some evidence of the impact of the policy. The focus of this study is the relationship between the GEAR macroeconomic strategy and social development and adult basic education and training conducted through literature analysis, and only reviewing empirical evidence where it helps to establish the nature of this relationship.

Some effort has been made to present facts as objectively as possible by reflecting different views on the subject. However, as it is unlikely to eliminate subjectivity altogether in a social science study like this one, no claim is made to absolute objectivity (Hogwood & Gunn, 1984:40). Other limitations of this study relate to time and availability of literature on the GEAR macroeconomic strategy. More limitations of this study are outlined in chapter three.

### **1. *The context of this study***

The South African state and society are both 'new' following the collapse of apartheid and the beginning of a new order in April 1994. While the polity has changed drastically, the conditions that characterise the lives of millions of South African have not changed as drastically. It is true that change of the nature and scale that is required in South Africa cannot happen overnight. The government has made it one of its objectives to bring about transformation, and indeed some change has happened. Just how much change, is partly what this study indirectly seeks to establish. It would seem that transformation is not taking place at an acceptable pace, at least, according to those who need it most – the previously disadvantaged, poor and vulnerable sections of society. In fact, South Africa has the acutest income inequalities and serious disparities in living conditions in the world, with some living in absolute poverty, while others are terribly rich.

The *Labour Force Survey* (Statistics South Africa, 2002:iii) reports an "increase in the unemployment rate from 26,4% in February 2001 to 29,5% in September 2001". It should be noted that the gap between the rich and poor is a single constant feature of our society. "By 1996, the gulf between the rich and the poor had grown even larger. The poorest quintile received 1.5 % of the total income, compared to the 65% received by the richest 10% (Department of Education, 2001a:7)." Furthermore, the *Poverty and Inequality in South Africa* Report prepared for the Office of the Executive Deputy President and Inter-Ministerial Committee for Poverty and Inequality (May *et al.*, 1998:4) indicates that 19 million people representing just under 50% of the population live in poverty, a figure confirmed in the *Development Update* (2001a:75). May *et al.* (1998:4) further show that 72% of the poor in the entire population are found in rural areas, while 50% of the South African population is rural. This is confirmed by the distribution of poverty per province with the more rural provinces having the highest rates of poverty: Eastern Cape (71%), Free State (63%), North-West (62%), Northern Province (Limpopo) (59%) and Mpumalanga (57%) and the lowest being Gauteng (17%) and the Western Cape (28%) (Ibid.).

This situation, represented in racial terms, indicates that black African people still constitute a majority of the poor (61%), coloureds (38%), compared with 5% of Indians and 1% of whites. Unemployment figures tend to show a similar pattern: "in 1995, the rate of unemployment was 59% among the poorest quintile of the population, compared with 5.5% among the richest quintile. With respect to the characteristics of the people in the poorest quintile, 93% of the unemployed poor are Africans, 56% female, 70% are below the age of 35, 58% are from rural areas (*Ibid.*, 15)". The *Labour Force Survey*, (Statistics South Africa, 2002:viii) shows higher unemployment in the more rural provinces. "Illiteracy is very prevalent in South Africa, particularly among older persons who were previously marginalised from educational opportunities under the apartheid system. Three million South Africans cannot read or write, and millions more are semi-literate. (...) A high proportion of South African adults aged 20 years and older have never been to school – 19% overall ..." (Department of Education, 2001a:22).

Evidently, the socio-economic conditions in South Africa are relatively poor, and the previously disadvantaged groups continue to experience hardships, and are therefore justified to be impatient about the perceived slow pace of transformation. It is within this socio-economic context that I chose to analyse the GEAR macroeconomic policy in relation to social development and ABET.

## **2.    *The Rationale for this study***

Social development, broadly defined, and education in particular, is impacted upon by the macroeconomic policy in a way that is not always fully understood by those working in the fields of social development and education. For, it is often on the basis of what is prioritised in any given country's macroeconomic policy that decisions are made by treasury about allocation of resources and the shaping of sector specific policies – in this case social policies – is undertaken.

I have chosen to focus on ABET as an element of social development, because it is estimated that some 12 million adults in South Africa have a level of education lower than grade 9 - an equivalent of ABET Level 4 (Department of Education, 2000a). Furthermore, according to the 1996 General Population Census (Aitchison, *et al*, 2000:16), 13.2 million adults in South Africa have not completed grade 9, these include 4.2 million who have never been to school. In most cases these adults live in poor social conditions, and therefore it is this section of the population that is mostly affected by lack of social development. They are vulnerable to various social problems, such as unemployment, poverty, and disease. In a report to the *Ford Foundation on Illiteracy in the United States*, Carman St. John Hunter and David Harman (1979:383) describe the characteristics of who the illiterate adults are in a way that almost equally applies in South Africa. Their list includes:

the poor, the imprisoned, the elderly, the undereducated, the unemployed or those employed at a low level (unskilled migrant workers, for example) and the racially ... oppressed" (...) That poor people are unlikely to have high levels of formal schooling and that illiterate persons in our society are likely to be poor are relationships so well

accepted as hardly to need verification. Those who have completed high school have incomes about double those who have not completed grade school ...

I believe in the merits of the '*growth through redistribution*' thesis, which means that social development and ABET as elements of a redistribution agenda would need to be prioritised in the government's economic policy (Bond, 2000 & May, et al. 1998) and hence the focus of this study.

### **3. *A note on social development***

Social development in this study refers to the provision of social services such as health, infrastructure development, social security, and education – including adult basic education and training, etc. as outlined in the RDP policy framework. It is in relation to the provision or support of these social services that the GEAR macroeconomic strategy is analysed.

A number of statutes have been passed by parliament and policies pronounced by various government ministries and departments in different areas, all to cement the political gains made over the years of the struggle for liberation which culminated in the first democratic elections in 1994. However, much of the post-1996 legislation in different areas has been designed within the context of the GEAR macroeconomic strategy to support the objectives identified therein, and therefore to understand social development policies requires a clear understanding of the GEAR macroeconomic strategy. Left-leaning political and socio-economic transformation activists largely found in the labour movement, charge that the Gear macroeconomic strategy is based on a neo-liberal assumption that globalisation is just and necessary but which they see as responsible for inequality, and poverty in many developing countries. There have been protests staged against globalisation at international conferences and gatherings of the World Trade Organisation (WTO), International Monetary Fund (IMF), the World Bank (WB) and the Group of Eight (G8) richest countries (with the exception of Russia which was included for political reasons rather than economic power). It is as important that the protesters and organizers of these protests as it is for everyone concerned with socio-economic development to understand the factors at play in how economic

decisions are made.

It is the intention of this study to contribute towards creating a heightened awareness and understanding of the GEAR macroeconomic policy for people working in the social development sector. It is intended to contribute towards ongoing dialogue between the different social actors including but not limited to social scientists, researchers, journalists and state bureaucrats about the appropriateness of the South African government policy.

#### **4. *Brief outline of the research method***

The method employed in carrying out this study is the review of official policy documents and literature on the GEAR macroeconomic policy as well as secondary policies. I do so by contrasting the GEAR macroeconomic strategy with the RDP socio-economic policy framework, using policy analysis as a research method, defined in some detail in chapter three. Empirical evidence and comments on implementation are used only to highlight points about inconsistencies, gaps and silences in the GEAR macroeconomic policy about social development and adult basic education and training.

##### **4.1 *Characteristics of policy analysis***

Some important characteristics of policy analysis according to Dye (1981: 6-7) are that it should, "encourage scholars and students to attack critical policy issues with the tools of systematic inquiry..." Essentially, policy analysis is about the description and explanation of policy more than it is about prescribing policy alternatives. It covers broad areas of policy such as content, process, and outputs (outcomes). It can serve various purposes, including evaluation of policy, providing information for policymaking, process advocacy, and policy advocacy (Dye, 1981; Hogwood & Gunn, 1984).

##### **4.2 *The process of carrying out this study***

This study is truly indebted to Professor David Gill's (1981:33-35) *Framework for Social Policy Analysis and Synthesis*, although used with modifications, to suit the focus of this study. The process of carrying out this study is detailed in chapter three. Below is the framework used to guide this study. Gill provides a thorough outline of the stages of the analysis from the conceptual stages of the policy through to proposing alternative social

policies based on the analysis. For the purpose of this study I have adapted this framework to only cover the following aspects of the process:

- Nature, scope and distribution of the issues;
- Causal theory(ies) or hypothesis(es) concerning the dynamics of the issues
- Policy objectives;
- Value premises and ideological orientations underlying the policy objectives;
- Theory(ies) or hypothesis(es) underlying the strategy and the substantive provisions of the policy;
- Target segments of society – at whom the policy is aimed;
- Short and long range effects of the policy on target and non-target segments of the society (...);
- Changes in the allocation of individuals and groups, to specific statuses within the total array of societal tasks and functions;
- Changes in the distribution of rights to individuals and groups;
- Consequences of changes in resource development, status allocation, and rights distribution.

These were only used as a guide and not as a rigid instrument. Several organising themes (such as definition of key concepts; overview of historical context for this study; description of the GEAR macroeconomic strategy, social development and ABET; the origins of the GEAR macroeconomic strategy and its creators, the meeting of basic needs, social and economic development, to name a few) were carefully selected to also guide the study. Data was obtained from both primary and secondary sources. Guided by the above framework, the data was analysed, interpreted and conclusions drawn about the gaps, silences and inconsistencies (about social development and ABET) in the policy.

## **5. *Brief discussion of research questions***

This policy study is attempting to answer the following four questions:

1. What is the GEAR macroeconomic strategy, how was it developed, and by who?

2. What are the key policy propositions for social development in the GEAR macroeconomic strategy?
3. What are the indicators of successful social development in the GEAR macroeconomic strategy as against any other policy?
4. What references, if any, are there to ABET in the GEAR macroeconomic strategy? If there are silences in the policy, how are they accounted for (especially given their prominence in the RDP)?

In relation to the first set of questions, I believe it is important that a comprehensive description of the GEAR macroeconomic policy and how it was developed be provided, in order to understand its relation to what it has to say about social development and ABET.

The second question seeks to build on the comprehensive description of the policy undertaken in answering the first set of questions and to identify the policy propositions/objectives or goals in relation to social development. Understanding the goals/objectives of the policy enables one to analyse the policy – its appropriateness for social development – against its own goals and objectives. In tackling this question, I lay down a basis for further analysing the policy against other policies – which is dealt with in the third question.

The third question, as already mentioned above, seeks to compare what is considered successful social development as against other policies. Inevitably, comparing the GEAR macroeconomic strategy to other policies is not easy since at the time of the release of the GEAR macroeconomic strategy there was not much progressive policy around that caters for all South Africans to compare GEAR with. For this reason it is only compared with the RDP socio-economic policy framework.

Finally, the fourth set of questions requires an analysis of the extent to which ABET is considered a priority or even mentioned in the GEAR macroeconomic strategy. This is but one angle of testing the extent to which the policy has or has not departed from the



goals of the RDP. The RDP featured ABET very prominently, in fact it pronounced that, "ABE (*sic*) must be centrally included in all reconstruction projects and particularly programmes for the unemployed (ANC, 1994: 63). Interestingly, the ABET provision in the RDP policy remained in all drafts, only to be omitted in the policy framework of the discussion document of the *RDP White Paper* (Office of the President, 1994a) and in the subsequent *White Paper on Reconstruction and Development* (Office of the President, 1994b) both only mentioning ABET briefly in the presidential *Lead Projects Annexure One*<sup>2</sup>.

## **6. Outline of chapters**

This is a 7 chapter study organised as follows:

- The first chapter deals with the rationale of this study, contextual issues, briefly describes the research method and outlines the chapters.
- The second chapter attempts to describe the GEAR macroeconomic strategy, social development and adult basic education and training (ABET).
- The third chapter describes the research method; the process involved in carrying out this study, and outlines the data sources.
- The fourth chapter provides an overview of the literature reviewed in this study.
- The fifth chapter analyses and synthesizes the data on GEAR, social development and ABET.
- The sixth chapter details the key findings of this study.
- The seventh chapter presents the conclusions of the study.

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<sup>2</sup> Recognising that implementing all the programmes of the RDP will happen over a period of time, then State President Nelson Mandela identified certain projects which would launch the delivery of the RDP in the first 100 days of the new Government.

## **Chapter Two**

### **Description of the Growth Employment and Redistribution Strategy, Social Development and Adult Basic Education and Training, and definition of concepts**

In this chapter I undertake a brief discussion of the GEAR macroeconomic strategy, social development and ABET. I start by describing them as defined in the official documents, and their aims, and objectives.

#### **1. *The GEAR macroeconomic strategy and the RDP policy framework***

Many commentators charge that the GEAR macroeconomic strategy replaces the RDP policy. On the other hand, the government argues that the GEAR macroeconomic strategy is merely a different strategy of pursuing the same objectives. In the following sections, I attempt to describe the two policies

##### **1.1 The GEAR macroeconomic strategy**

The GEAR macroeconomic strategy is officially defined as an integrated economic strategy for rebuilding and restructuring the economy in keeping with the goals set in the RDP. It aims to confront the related challenges of meeting basic needs, developing human resources, increasing participation in the democratic institutions of civil society and implementing the RDP in all its facets (Department of Finance, 1996:1). The GEAR macroeconomic strategy aims to grow the economy by reducing restrictions on direct foreign investment; it promotes the privatisation of state assets, export-led growth, and integration into the global economy as a model for economic development.

According to the GEAR macroeconomic strategy, the challenges of meeting basic needs, developing human resources, and increasing participation in the democratic institutions of civil society will be achieved if the economic growth is achieved. In this respect, economic growth targets are set, and the benefits thereof. The GEAR

macroeconomic strategy targeted an economic growth rate of between 3 and 6 percent by 2000, and 400 thousand jobs to be created during the corresponding period. This would be a result of a number of adjustments in different areas of the economy.

The vision of the macroeconomic strategy is “a competitive fast-growing economy which creates sufficient jobs for all work seekers; a redistribution of income and opportunities in favour of the poor; a society in which sound health, education and other services are available to all; and an environment in which homes are secure and places of work are productive” (Department of Finance, 1996:1). The GEAR macroeconomic strategy has among others the following features:

- a renewed focus on budget reforms to strengthen the redistributive thrust of expenditure;
- a faster fiscal deficit reduction programme to contain debt service obligations, counter inflation and free resources for investment;
- an exchange rate policy to keep the real effective rate stable at a competitive level;
- consistent monetary policy to prevent a resurgence of inflation;
- a further step in the gradual relaxation of exchange controls;
- a reduction in tariffs to contain input prices and facilitate industrial restructuring, compensating partially for the exchange rate depreciation;
- tax incentives to stimulate new investment in competitive and labour absorbing projects;
- speeding up the restructuring of state assets to optimise investment resources;
- an expansionary infrastructure programme to address service deficiencies and backlogs;
- an appropriately structured flexibility with the collective bargaining system;
- a strengthened levy system to fund training on a scale commensurate with needs;
- an expansion of trade and investment flows in Southern Africa; and
- a commitment to the implementation of stable and co-ordinated policies.

This vision of the GEAR macroeconomic strategy has very good intentions for social development. However, intentions alone are not good enough. The GEAR macroeconomic strategy identifies areas in which specific policies are necessary to be developed in order for the strategy to succeed. The trade; industrial and small enterprise; and social sectors are identified as areas in which new policies are to be

developed or old ones drastically reviewed, and the fiscal, monetary and exchange policies identified as areas which require policy review. Other areas requiring attention according to the GEAR macroeconomic strategy are public investments and asset restructuring; employment, wages and training.

Flowing from this broad vision of the GEAR macroeconomic strategy is a number of sector specific policies and strategies. In so far as trade is concerned, the government has embarked on a process of liberalising exchange policies with a view to attracting more trade; and in so far as industrial and small enterprises development is concerned, the government has the policy of black economic empowerment. This policy aims to increase participation of black people in the economy by making it a requirement that all major enterprises wishing to do business with government have blacks owning a portion of their enterprises. Different targets are set in different sectors of the economy; and more recently a draft Broad-Based Socio-Economic Empowerment Charter for the Mining Industry was published which sets a target that over the next ten years, 26% of the mining industry should be in the hands of black people "with 15% transferred in the first five (Mail & Guardian, October 11 to 17, 2002:6)".

The other area which receives attention from the GEAR macroeconomic strategy is the fiscal, monetary and exchange policies. With respect to the fiscus, the GEAR macroeconomic strategy promotes a policy of reducing the budget deficit, and servicing the national debt. Considerable progress has been made in reducing the budget deficit, and servicing the national debt and the government of South Africa has consistently received good ratings from international lending institutions as a result of this policy. Judged by these ratings, this policy has proved to be working well, however, its impact on social development and by implication the poor and vulnerable in society is less than laudable. And, with respect to the monetary policy, the South African Reserve Bank has the policy of inflation targeting by which it hopes to keep the economy in check and avoid its collapse. To do this, the Bank primarily uses interest rate adjustments. In one year, 2002, the Bank has increased the interest rates three times. This has adverse effects on the poor.

Education and training also receive some attention in the GEAR macroeconomic policy. This and other social sectors such as health and welfare are mentioned as areas in which specific policies must be developed. In this regard, the only sections of education and training that are given specific mention are: schooling, productivity enhancing (vocational) training, and higher education, and no mention is made of adult basic education and training. This omission is significant. However, there has been much policy activity in education including adult basic education and training, presumably as a result of the statement in the GEAR macroeconomic strategy which identifies education and training and other social policies as areas in which specific sectoral policy must be developed, although some of the policies in this regard preceded the announcement of the GEAR macroeconomic strategy in June 1996. Legislation has been passed, for instance, in the schooling, adult basic education and training (all considered to be sectors feeding into), the further education and training, and the higher education and training sectors. The Departments of Education and Labour have jointly come up with the Human Resources Development and National Skills Development Strategies (Department of Education, 2001a & Department of Labour, 2001). Later in this study I discuss these policies in detail and how they relate to adult basic education and training.

## **1.2 The RDP Policy Framework**

The RDP was a product of wide consultation during the phase when the ANC and its allies were 'preparing to govern'. This phase began in the late 1980s and continued until the early 1990s when it was clear that the apartheid regime could not continue to hold onto power. The RDP base document was first published in 1992 for wide consultation, with several drafts before the final draft just before the 1994 elections. The RDP policy framework was subsequently adopted by the Government of National Unity (GNU) in 1994 as its programme for socio-economic development. In November 1994, South African national assembly declared the RDP as government policy in the White Paper on Reconstruction and Development (Office of the President, 1994b) The RDP White Paper (Office of the President, 1994b:7), defines the RDP as:

a policy framework for integrated and coherent socio-economic progress. It seeks to

mobilise all our people and our country's resources toward the final eradication of the results of apartheid. Its goal is to build a democratic, non-racial and non-sexist future and ... represents a vision for the fundamental transformation of South Africa by: developing strong stable democratic institutions; ensuring representativity and participation; ensuring that our country becomes a fully democratic, non-racial and non-sexist society and creating a sustainable and environmentally friendly growth and development path.

The RDP promotes reconstruction and development as a "strategy for fundamental 'social transformation', a notion which refers to political and economic transformation which has, among others, the following objectives: redressing apartheid political and economic inequalities through meeting basic needs; poverty eradication; democratisation; redistribution and securing human rights" (Groener, 2000:163).

Five programmes were identified as key to the attainment of the RDP policy objectives. Those include: meeting basic needs, developing human resources, building the economy, democratizing the state and society, and implementing the RDP. It is these five programmes that the macroeconomic strategy is measured against since it maintains that it is committed to the same goals as the RDP. The section of the RDP document on the development of human resources features ABET very prominently stating that it had to be "centrally included" in development projects based on partnerships between various role-players (Bond & Khosa, 1999:26). In fact, the final draft of the RDP policy framework had a much bigger section on education and a substantial section devoted to adult basic education and training, highlighting its centrality to the achievement of the social transformation agenda of the African National Congress.

The RDP aims to confront the development challenges resulting from apartheid policies of uneven development. The central objective of the RDP, "is to improve the quality of life of all South Africans, and in particular, the most poor and marginalised sections of our communities" (ANC, 1994:10). The RDP comprehensively covers all aspects of the development of South Africa, ranging from political, social and economic development.

It necessarily addresses the issues of rural development, social welfare and adult basic education among others. In fact, there are elaborate sections of the policy which address these issues from a policy, strategy and implementation point of view. All Presidential Lead Projects (PLP) and Departmental Programmes, outlined in the RDP White Paper (Office of the President, 1994b:43-81) are about the redistribution of the country's resources.

The Presidential Lead Projects range from rural water provision, land reform, land restitution, land redistribution, small scale farmer development, urban infrastructure investment planning, extension of municipal services, urban renewal, a national literacy programme, primary school nutrition, capacity building, clinic building, AIDS awareness, to a series of public works programmes. It has strong elements of the Keynesian welfare state. The GEAR macroeconomic strategy, on the other hand, is an economic policy, largely concerned with the economic aspect of the development of South Africa. As such, not all of the projects or programmes outlined in the RDP policy framework feature in the GEAR macroeconomic strategy. The absence of some aspects of the RDP and by implication features of social development in the RDP is significant and requires further investigation. Later, in the literature review and analysis chapters, I continue the discussion of the differences in these two policies with respect to social development and to adult basic education and training.

## **2. *Social Development***

Social development in this study refers to the provision of social services such as health, infrastructure development, social security, water and sanitation, and education among others. Incidentally, the section of the GEAR macroeconomic strategy that deals with social policy outlines among others: education, health and welfare services, water and sanitation, housing, crime prevention [security], land reform and infrastructure development as aspects of social policy. The RDP expressly identifies social transformation – inclusive of political and economic transformation which has, the objectives of: redressing apartheid political and economic inequalities through meeting basic needs; poverty eradication; democratisation; redistribution and securing human rights – as its objective, and outlines very elaborate programmes on each of the aspects

of social transformation mentioned above.

Social development is more than the delivery of social security services. It is both a comprehensive system of social services to cater for the poor and vulnerable in society, as well a system for the development of different kinds of assets necessary for the long-term sustainability of livelihoods in communities. These include services such as primary health care, nutrition, education, employment creation, rural and urban development and land reform, among others. What this means is that it is not enough and not sustainable to provide social security grants unless these other services are provided as they are essential to the sustenance of life as well as enable the government to continue to look after the vulnerable in society. There is often a tendency of polarizing social development against economic development. These are interdependent and mutually reinforcing and a balance should be reached in how both economic and social development is planned so that it benefits all, especially the poor. The Ministry of Social Welfare (1995:8) argues that "economic development has to be accompanied by the equitable allocation and distribution of resources if it is to support social development".

*The Poverty and Inequality in South Africa: Report prepared for the Office of the Executive Deputy President and the Inter-Ministerial Committee for Poverty and Inequality* (1998) does not use the term social development. This report uses different terms such as human development, infrastructure services, and livelihoods and assets to refer to the same kind of services here defined as elements of social development. This indicates a major change of terminology over the last decade in the development sector. The proliferation of terminology during this period has both advantages and disadvantages. At one level, changing terminology can be useful for enforcing a paradigm shift while it also has the potential to confuse and lead to a waste of time and resources. In the final analysis, social development is about the development and provision of essential services in different aspects of human life. Education and adult basic education and training are among the important elements of social development.



### **3.     *Adult Basic Education and Training***

Adult Basic Education and Training is an integral part of the new South African education and training system. It lies at the threshold of the 8 level National Qualifications Framework (NQF), alongside early childhood development (ECD) and formal schooling (*see Table 1 below*). The 8 level NQF is divided into 3 bands comprising: General Education and Training (GET) (the first 9 years of formal schooling and ABET), Further Education and Training (FET), and Higher Education and Training (HET). The ABET system has 4 levels which are sub-levels of the first level of the NQF. The exit level of the ABET system is equivalent to the first level of the NQF. For ABET to feature in the new system is regarded by others as a major achievement as it never featured in the old system. In fact not much adult literacy was provided by the apartheid state until later in the 1980's when the Department of Education and Training (DET) and some Bantustan Departments of Education and Culture offered an adult literacy curriculum. This curriculum was not different from the formal school curriculum – offered to children – and therefore had limited successes.

Perhaps one of the major achievements in the struggle for literacy and adult basic education is its inclusion as a basic right in the Constitution of the Republic of South Africa, Act No. 108 of 1996. The Constitution (section 29, 1 (a)) states that “everyone has a right to basic education including adult basic education” (Office of the President, 1996).

Defining literacy and ABET might seem straight forward. It is not. The difficulty arises out of the fact that defining ABET is often informed by ideology. Later in this chapter I discuss some definitions of ABET in South Africa over the past decade, including that adopted by the national Department of Education. To understand the forces that influenced and shaped our ABET definition, and by extension policy, I start by briefly sketching the history of education policy development in South Africa since the late 1980s.

**Table 1: The South African National Qualifications Framework**

NQF LEVEL	BAND	QUALIFICATION TYPE	
8	HIGHER EDUCATION AND TRAINING	<ul style="list-style-type: none"><li>• Post-doctoral research degrees</li><li>• Doctorates</li><li>• Masters degrees</li><li>• Professional Qualifications</li><li>• Honours degrees</li><li>• National first degrees</li><li>• Higher diplomas</li><li>• National diplomas</li><li>• National certificates</li></ul>	
7			
6			
5			
FURTHER EDUCATION AND TRAINING CERTIFICATE			
4	FURTHER EDUCATION AND TRAINING	<ul style="list-style-type: none"><li>• National certificates</li></ul>	
3			
2			
GENERAL EDUCATION AND TRAINING CERTIFICATED			
1	GENERAL EDUCATION AND TRAINING	Grade 9	ABET Level 4
		<ul style="list-style-type: none"><li>• National certificates</li></ul>	

Source: [www.saqa.org.za](http://www.saqa.org.za)

Kraak (2001:2) categorises the stages of higher education policy development in South Africa into five stages namely:

- *The pre- 'taking of power' phase:* By 1989, the possibility of a negotiated settlement had dawned. The politics of the anti-Apartheid movement shifted from mass struggle to 'preparing to govern'. The period 1989-1994 witnessed the mobilisation of the entire anti-Apartheid movement behind the task of forging new policy propositions across the entire gamut of human existence. It is during this period when 'popular democratic' and 'economic rationalist' discursive tensions began to emerge but which were muted by the consensus-building dictates of the day.
- *The legislative era:* The April 1994-1997 period witnessed significant education legislation being enacted by Parliament, culminating in the passing of the Higher Education Act in October 1997. The content of this legislation reflected a particular 'settlement' between the above mentioned competing discourses.

- *The 'policy implementation' phase:* A period that overlaps with the legislative era described above (beginning with the transfer of power in April 1994) but which amplifies after the passing of the HET Act in October 1997 to the present. It is a period when the limits of state power begin to surface and when policy idealism in education is inevitably mediated by the structural constraints and political limits facing the new state.
- *A vacillating state: the era of policy doubt and retraction:* The complexities of governance in the new state begin to emerge particularly in the period 1999 - 2000 when the Council on Higher Education (CHE) Task Team on 'Size and Shape' deliberated. It is during this period that discursive tensions and political difficulties reach a high point, resulting in significant policy doubt, retraction and reversal.
- *The National Plan, February 2001:* The release of this policy document sees the state reaffirm its support for the key policy principles of the new HET framework.

Kraak is analysing policy in the higher education and training sector, but I have borrowed his categorisation because it, in many ways, applies to ABET or policy development in the other education bands. Jansen (1999) also gives an account of the forces that shaped education policy thought through the influence of training and competency based education (and later Outcomes-Based Education) (OBE) as against popular education, which had been the key rallying point for education transformation up to the late 1980s. In accounting for the sudden change of thinking in education Jansen (1999:6) notes that:

there was a rich intercourse of ideas between leading thinkers in COSATU (such as Adrienne Bird and Gail Elliot) and their labour counterparts in Australia; frequent travel between these two countries witnessed an exceptionally high level of exchange of frameworks, proposal and experiences as South Africa gradually moved towards an integrated system based on specific competencies. In these early stages, much of the intellectual content for these ideas was provided by Pam Christie, an education lecturer at the University of Witwatersrand, who completed her doctoral studies in Australia and provided coherent curriculum accounts, which translated the Australian experience into South African.

Although quite simplistic a view, what is clear from Jansen's assertion about South Africa's education and training policy development is that much of the policy changes in South Africa were imported as the high skills thesis or economic rationalism gained prominence in South Africa (Kraak, 2001:4-5). This was accepted by the union movement who had for decades been fighting for the training of their members, and the recognition of their 'on the job acquired' skills. This consensus between industrialists and unions was among the reasons for the adoption of the National Qualifications Framework (NQF), and the integration of education and training - only to have it frustrated by the new government's decision to have separate ministries of education and labour.

In the case of ABET, earlier definitions of ABET or literacy had a specific social and to some degree revolutionary orientation. In fact, literacy was seen as inextricably linked to the liberation struggle. Soobrayan's (1990:32-33) discussion of Peoples' Education indicates this very clearly:

- It is based on the assumption that education and politics are inextricably linked in a manner that the transformation of education should occur within the context of social transformation;
- It is at once an education strategy as well as a political strategy. There is an emphasis on the mobilisation of people at a mass level to participate in the transformation of education at all levels, including in the formulation of alternatives;
- It must serve the interests of the majority of the people of South Africa by focusing on empowerment and the eradication of illiteracy;
- It must be aimed at overcoming negative social values such as elitism, individualism, authoritarianism and competitiveness – and in their place instill democratic values, collectivism and wider social consciousness;
- It is a process that can only reach its full potential after apartheid is abolished but must always be reflexive and responsive to changing needs and conditions

Other examples of how earlier conceptions of literacy – later called ABET – based on the ideology that education is a political process aimed at social development are to be

found in the 1993 definition of literacy by the South African Association of Literacy and Adult Education (SAALAE), that literacy is the ability to read, write, count and communicate in any language with critical awareness and understanding and the capacity to participate in decision-making for the purpose of human and social development. In fact the SAALAE definition of literacy was one of the last attempts at a definition with strong social and transformative elements. Later in November 1993, the South African Committee for Adult Basic Education (SACABE) convened a National Adult Basic Education Conference. Participants at this conference pushed very strongly for adult basic education as human right while recognising the need for standardisation and certification. Already during this phase the change of discourse from what had been perceived as the purpose of literacy in the 1970's to a formal system organised in a qualification framework and national standards had been firmly entrenched. This conference defined ABE as:

The basic education phase in the provision of lifelong learning. The final exit point in terms of certification from ABE should be equivalent to the exit point from compulsory education (Std7/8). ABE should include a core of skills, knowledge and values. ABE should consist of levels of learning along a continuum assessed as outcomes. ABE should be aimed at adults who have had no or very little formal schooling, those who do not have the equivalent of a school-leaving certificate and those who only require specific sections of ABE which meet their particular needs (SACABE, 1994:26 quoted in Harley, et al 1996:20).

During this time, the forces for a formalized utilitarian ABE had gained much ground. This needs to be understood within the broader context of the ideological shifts in the liberation movement (in particular the ANC), as part of the compromises for a political settlement as well as being weakened by the 1989 global collapse of communist governments, and the prominence of the neo-liberal agenda among policymaking role-players.

The national Department of Education defines ABET in the *Policy Document on Adult Basic Education and Training* (Department of Education, 1997a:5) as:

the general conceptual foundation towards lifelong learning and development, comprising of knowledge, skills and attitudes required for social, economic and political participation and transformation applicable to a range of contexts. ABET is flexible, developmental and targeted at the specific needs of particular audiences and, ideally provides access to national recognised certificates.

As mentioned briefly above, ABET is governed by a comprehensive policy and legislative framework. This includes, the Constitution of the Republic of South Africa; the South African Qualifications Authority Act, No. 58 of 1995 (Department of Education, 1995c) and related regulations; the Policy Document on Adult Basic Education and Training (Department of Education, 1997a); the Multi-year Implementation Plan for adult education and training (Department of Education, 1997b), and the Adult Basic Education and Training Act, No. 52 of 2000 (Department of Education, 2000c). The Human Resources Development Strategy (HRDS) (Department of Education, 2001a), and the National Skills Development Strategy (NSDS) (Department of Labour, 2001), both co-sponsored by the Ministers of Education and Labour, identify ABET as critical to addressing the shortage of skills in South Africa.

The legislative and policy environment briefly sketched above is very promising, however, a number of factors have threatened to undermine the goodwill of legislators and people in this field. The first attempt by the state of piloting the new system in a project called "Ithuteng" (a seSotho word which means 'Teach Yourselves') aimed at reaching 10 000 learners in each province, was not successful at many levels. The targeted numbers were not reached and critical success factors for any education system were not addressed. These are the personnel, funding, curriculum development, educator training and support. In most provincial departments, ABET was assigned the status of sub-directorate and therefore received very little attention. In most instances, it hardly had any full-time personnel dedicated to it or shared personnel in some regions with early childhood development (ECD). All educators remained

employed on a part-time basis, not paid on time and therefore highly demoralised<sup>3</sup>.

Funding for ABET has remained below one percent of the overall education budget in provinces, and curriculum development was not given priority (with the exception of the development of unit standards). Educator training during the Ithuteng project was provided by non-governmental organisations (NGOs) with some experience in adult literacy, but immediately after the project the Department of Education opted for a cascade model of training. The evaluation of the training was conducted on a piecemeal basis and the results remain largely contested by some of the providers and the departments of education. The support for the entire system has consistently been weak due to lack of trained and qualified personnel in the system. Much of these challenges continued throughout the system after this project which was meant to generate lessons for improving the system afterwards.

In fact, the Multi-Year Implementation Plan (Department of Education, 1997b), which was meant to be a comprehensive and imaginative plan to take forward the lesson from Ithuteng and reach more adult learners was severely affected by the challenges mentioned above, and the drying up of donor funding for NGOs. The national literacy campaign announced by Kader Asmal, Minister of Education (1999) on taking up the education portfolio in 1999, aimed at "breaking the back of illiteracy" (sic) had not taken off two years since it was launched in June 26, 2000. This, a rather discouraging picture despite a positive policy and legislative environment, requires further investigation and is discussed in the following chapters.

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<sup>3</sup> The author had first hand experience of this, as he was one of the fieldworkers on behalf of Operation Upgrade of South Africa, one of the NGOs whose services were retained to help the KwaZulu Natal Department of Education and Culture to plan and implement this project, and was also a member of the Ithuteng Project Working Group which comprised all roleplayers.

## Chapter Three

### **The description and justification for the choice of the research method, approach and process for this study**

**T**he rationale for this policy analysis of the GEAR macroeconomic strategy (Department of Finance, 1996) with respect to social development and to adult basic education and training (ABET), has been provided in the introduction chapter. Another reason for this choice of a research topic is because of the author's belief that government policy must take into account prevailing social and economic conditions. I believe that it is almost "impossible to separate social and economic factors as they impinge on or influence political activity" (Andersen, 1997:55). In carrying out this study, I analysed the GEAR macroeconomic strategy, and contrast it with the RDP, because these two policies respectively represent strong capitalist and socialist orientations.

To successfully conduct an analysis of this nature requires a fair amount of familiarity with both public and economic policymaking processes, the absence of which tends to manifest itself in a biased account of facts in one direction or another. I have to state from the outset that my own analysis is not immune to this kind of bias, due to the fact that most of my experience is in the non-governmental organisation social development sector. However, I hold the view that the core elements of policymaking theories and approaches apply almost equally in all disciplines. These are outlined in detail later in this chapter.

#### **1. *Defining policy analysis as a research method***

Before proceeding too far with this report, I want to present my understanding of policy analysis as a theoretical basis for this study. However, before I do that, it is important that I engage on a contested and challenging exercise of attempting to define public



policy, which is often the subject of policy analysis (Hodgwood & Gunn, 1984:26 – 29). GEAR is public policy to the extent that it was generated through parliament and government processes aimed at introducing change in society.

## 1.1 Definition of public policy

Books, essays and discussions of a 'proper' definition of public policy have proven futile, even exasperating, and they often divert attention from the study of public policy itself (Dye, 1981:1).

There is no single accepted definition of public policy and, for the purpose of this study, I will present different conceptions of public policy, and, from that exercise, develop a working definition. According to Dye (1981), public policy is "what government chooses to do or not do". Andersen, (1997:9) on the other hand, cites one definition of public policy as "the relationship of a government unit to its environment". Professor Richard Rose (quoted in Andersen, 1997:9) suggests that public policy be defined as "a long series of more-or-less related activities and their consequences for those concerned, rather than a discrete decision". Political analyst, Carl Friedrich regards policy generally, as "a proposed course of action of a person, group, or government within a given environment providing obstacles and opportunities which the policy was proposed to utilise and overcome in an effort to reach a goal or realise an objective or purpose." (Ibid.).

Key phrases emerging from the different definitions are: *what government chooses; a series of related activities and their consequences; relationship between government and its environment; a proposed course of action within a given environment* towards reaching a goal of some kind. Each of these phrases has something to offer in developing my working definition of public policy, which is: "any course of action chosen by government through a consultative process in response to questions arising from its social, economic and political environment". It will be noted that my definition attempts to combine the key phrases from the other definitions, and includes one new dimension: a consultative process. My inclusion of the consultative element to a South African definition of public policy recognises the fact that stakeholders to policymaking are

broader than just government. The concern of policy analysis is to understand and describe what it is governments do, why they do it and what difference it makes (*Ibid.*).

## 1.2 Policy analysis

Just as there is no single accepted definition of public policy, there is no single definition of policy analysis. Still, literature on policy analysis (Dye, 1981:6-7) argues that policy analysis encourages scholars and students to attack critical policy issues with the tools of systematic inquiry. That it involves:

1. A primary concern with explanation rather than prescription.
2. A rigorous search for the causes and consequences of public policies.
3. An effort to develop and test general propositions about the causes and consequences of public policy and to accumulate reliable research findings of general relevance.

Basically, policy analysis is about the description and explanation of the forces that shape public policy, the choices made by governments and why they are made, and their consequences on those they are meant to serve. In developing and testing general propositions about causes and consequences of public policy, it is important to generate explanations that fit more than one context and can stand over time. On the other hand, Hogwood & Gunn (1984:29-30), provide their list of characteristics of policy analysis which includes among others that it is:

1. *Applied rather than pure.* Policy studies and specifically, policy analysis, are applied rather than pure, problem oriented rather than problem blind, prescriptive as well as descriptive;
2. *Inter-disciplinary as well as multi-disciplinary.* Policy analysis is not a single discipline nor should it represent a loose assembly of disciplines. If it is to deal with real, many-sided problems (...), it must develop an integrated or interdisciplinary approach, which will combine in a synergistic manner, elements from many disciplines.
3. *Politically sensitive planning.* Typically, (...) there is a concern with developing some sophisticated indicators of social conditions and problems, better forecasts, hierarchies of objectives, improved definition and appraisal of options... To this extent, there is an obvious overlap between policy analysis and policy planning.

4. *Client oriented.* There is some disagreement about the extent to which policy analysts ought to be available for hire to whichever patron can afford them. One view is that the analyst (...) should address himself to a wider constituency and operate as an agent of social change with a commitment to the amelioration of society. (Another) view is that policy analysts as individuals need feel under no obligation to accept commissions from governmental or other agencies, but there is something unconvincing about policy analysis which is conducted without even a potential client in mind.

In order for policy analysis *to encourage scholars to attack critical policy issues, with systems of systematic inquiry* (Dye, 1981), it should be underpinned by a critical theory. Critical theory of inquiry challenges practitioners to devise methods of investigation that are: empirically sound and descriptively powerful; interpretively plausible and phenomenologically meaningful; and critically pitched, and ethically insightful (Forrester, 1993).

There are different uses of the term policy analysis, and there are many approaches to policy analysis. These include, the studies of policy content; studies of policy process; studies of policy outputs (sic); evaluation studies; information for policymaking; process evaluation; policy advocacy; the analysis of analysis; and the roles of different types of analysis (Hogwood and Gunn, 1984:26-28). Inevitably, policy analysis has some inherent limitations and therefore cannot provide solutions for complex problems faced by society to which government policy is trying to respond. As Dye, (1981:13-15) puts it:

1. It is easy to exaggerate the importance, both for good and for ill, of the policies of government. It is not clear that government policy, however ingenious, could cure all or even most of society's ills.
2. Policy analysis cannot offer 'solutions' to problems when there isn't general agreement on what the problems are.
3. Policy analysis deals with very 'subjective' topics and must rely upon 'interpretation' of results. Professional researchers frequently interpret the results of their analyses differently. Social science research cannot be 'value-free'.

4. Another set of problems in systematic policy analysis centres around inherent limitations in the design of social science research. It is not really possible to conduct some forms of controlled experiments on human beings.

Essentially, "policy analysis (is) research drawing upon economic theory that seeks to identify the most efficient way to handle a problem" (Andersen, 1997:328). The main concern of policy analysis is to describe and explain policy, how it is shaped, by who and forces behind it. As mentioned in several preceding paragraphs, it is not the competence of policy analysis to prescribe or dictate policy. This is something which policy analysts always have to be aware of and avoid. They need to be aware of its limitations and present the reality as accurately as reasonably possible, while being mindful of their own subjectivity in approaching any subject.

### **1.3 Policy analysis as a research method**

Policy analysis as a research method involves a complex process of the identification of sources of data, the collection of data, the classification of data, analyzing the data, interpreting the results and making conclusions. This seems very similar to any research process. Below is a brief description of the stages followed in the process of carrying out this study:

*The identification of the sources of data:* is essentially a mini research about where the information on the policy or aspect of the policy is obtainable. These could be primary sources such as the institutions involved in the development of public policy. The other (secondary) sources of data – depending on the focus of the study – could be agencies involved in the implementation of the policy, and those targeted by the policy. The other category could be that of observers or watchdog institutions, such as the media, monitors and researchers. In identifying the sources, researchers must always avoid bias. After choosing this topic for my study, I contacted various people in higher education institutions, researchers who had written on the subject, contacted relevant government departments, searched the internet, in particular websites of different organisations, and had valuable discussions with staff of the Centre for Adult Education and other institutions.

*The collection of data:* once the sources are clearly identified, should be relatively easy. The collection of data could be through interviews with key individuals in the institutions, implementation agencies and beneficiaries identified; study of official policy statements, implementation reports, evaluation reports, media articles, and commentaries by other commentators on the subject. My approach was to only study literature on this subject. The reason for choosing this approach was the shortness of time, and limited financial resources, and so I gathered large quantities of written material on the subject from the sources outlined above. These are properly listed as references at the end of this report.

*The classification of data:* into either primary or secondary categories or according to which of the key questions they answer. Policy analysis is essentially about trying to answer these questions about policies: what is the policy about (its main objective/purpose)? Who developed the policy? Whose interest does the policy serve? What process was followed and why? I classified my data according to primary and secondary categories as well as the extent to which they answer the key research questions. During this process, I was also able to identify gaps, where I did not have data to help me answer some of the key research questions, and had to expand my search for data in those areas.

*Analysing the data:* involves finding answers to the key research questions and identify the key policy drivers or factors influencing the policy. This is the most important and yet delicate part of the study. What I was able to extrapolate as the research findings on the basis of which I have made conclusions is really based on this analysis. It is important to say that it is at this stage that any researcher's subjectivity creeps in. In this instance, it helps to be constantly aware of one's own subjectivity.

*Interpreting the results and making conclusions:* often researchers make wide-ranging conclusions which have very little relationship to their data or findings because they come to the process with their own subjective views, but perhaps unaware. It is

important that the researcher be aware of his/her views on the subject so as to avoid merely presenting those as results of the study and making conclusions based on those. It is important that any claims that are made about the subject are backed up by evidence. This is an area that has been a challenge throughout this study, especially because this is a study about silences of the GEAR macroeconomic strategy about ABET, and as such I cannot say with any degree of certainty that none of my views have influenced this study.

## **2. *Criteria for good policy theory***

Theorising is a necessary intellectual exercise to both explain and guide the way society thinks about issues and inform practice for those working in that particular field. The criteria outlined below (borrowed from Sabatier, 1999) are by no means prescriptive and in no way seek to limit or regulate the intellectual freedom of intellectuals to develop policy theories; instead they seek to add value to the other purpose of theory which is to guide and inform practice (in this case policymaking). Sabatier (1999:8) suggests that promising policymaking theoretical frameworks:

1. must do a reasonably good job of meeting the critical criteria of a scientific theory
2. must be the subject of a fair amount of recent conceptual development and empirical testing;
3. must be a positive theory seeking to explain much of the policy process; and
4. must address the broad sets of factors that political scientists looking at different aspects of public policymaking have traditionally deemed important.

At the risk of confusing this study with a theoretical analysis of policymaking, I think it is necessary to make some comments about the relevance of these criteria to this study. It has been mentioned above that this study focuses on the three areas of policy analysis namely, policy content, process and policy outputs (outcomes). It is in discussing the policy process that the policymaking theory as a contributor to the process becomes important to this study. The section following immediately after this both identifies and briefly discusses some policymaking theories.

### **3. A summary of different policymaking theories**

Different approaches and theories are adopted in making policies. Andersen, (1997:26-29) outlines the policymaking theories, among which I have chosen the following which I believe are relevant to this study:

1. *the political systems theory* according to which policy is a political system's response to demands arising from its environment;
2. *the elite theory* according which policy is regarded as reflecting the values and preferences of a governing elite; and
3. *the group theory* which regards policy as a product of a group struggle.

Although consistent with the general understanding that public policy is what governments choose to do or not do in pursuing a particular social, political or economic goal, the political systems theory tends to eliminate other than government actors in the formulation of policy. It further ignores the fact that the demands on the political systems to which policy is responding are influenced by various factors, some of which are not political in nature (such as environmental considerations), and therefore need relevant input that may not necessarily be of a political nature.

The elite theory on the other hand believes that, policy is not determined by the demands and actions of the people or the masses but rather by ruling elites whose preferences and desires are carried into effect by public officials and agencies. Professors Thomas Dye and Harmon Zeigler (quoted in Andersen, 1997:29-30) provide a summary of the elite theory of policymaking that:

1. Society is divided into the few who have power and the many who do not. Only a small number of persons allocate values for society; the masses do not decide public policy.
2. The few who govern are not typical of the masses who are governed. Elites are drawn disproportionately from the upper socio-economic strata of society.
3. The movement of non-elites to elite positions must be slow and continuous to maintain stability and avoid revolution. Only non-elites who have accepted the basic elite consensus can be admitted to governing circles.

4. Elites share a consensus on the basic values of the social system and the preservation of the system.
5. Public policy does not reflect demands of the masses but rather the prevailing values of the elite. Changes in public policy will be incremental rather than revolutionary.
6. Active elites are subject to relatively little direct influence from apathetic masses. Elites influence masses more than masses influence elites.

This is a fair description of what happens even in most advanced democracies of the world, where not everyone plays a direct role in government, instead the majority of the citizens of a country entrust a few to govern, essentially to carry out their wishes. Their wishes are not always carried out. Governing elites in democratic societies may well betray the masses who gave them an electoral mandate, though they may also be able to disguise the betrayal and secure further mandates through regular elections. In oppressive regimes, a few – often high up in the ranks of the ruling party or loyalists to the ruling dictator – govern the country. The difference with the latter type of the governing minority is that it blatantly and sometimes brutally usurps power from the masses.

The elite theory explains policymaking in most types of societies, whether they are rich or poor. In rich societies, it does not matter very much, as long as law and order is maintained and there are no major injustices, for all aspiring elites in different sectors of society to pursue their aspirations. In poor societies – the so-called developing countries – it is considered not only immoral, but a crime to secure political power on the backs of poor people and thereafter not carry out their wishes. A trend towards this conception of policy theory has been observed in the developing world including South Africa.

Scholzman and Tierney (cited in Andersen, 1997:28) describes public policy as “the equilibrium reached in the group struggle at any given moment, and that it represents a balance, which the contending factions or groups constantly strive to weight in their favour”. The group theory rests on the contention that interaction and struggle among groups are the central facts of political life. A key concept of this theory is that of access



“to have influence and to be able to help shape governmental decisions means having access or the opportunity to express views to decision-makers” (*Ibid.*). To ensure that groups are indeed able to influence decision-makers, they often organise themselves and lobby those in government.

What tends to happen very often is that the extent of how organised the interest group is, determines how much it can influence policy. An example in South Africa is that of formal schooling and higher education, which because they are organised are more influential in the development of policy and distribution of education resources than adult education which has no organised body to represent its views and interests. To this extent, the group theory – as does the elite theory in certain respects – accurately explains how things happen, despite our preferences for how they should happen.

The group theory is not without its critics, one such is Andersen (*Ibid.*), who concludes that, from a methodological perspective, it is misleading and inefficient to try to explain politics in policymaking solely in terms of interests and the group struggle as there are other factors. His criticism does not necessarily negate the importance of the group theory in explaining the policymaking process, it simply cautions against oversimplifying things. Perhaps Andersen’s concerns in terms of the role of other actors (especially government) in policymaking are addressed in some way in the words of Almond and Powell, the proponents of the group theory (cited in Andersen, 1997:28) that:

the legislators referee the group struggle, ratifies the victories of the successful conditions, and records the terms of the surrenders, compromises and conquests in the form of statutes. Every statute tends to represent compromises because the process of accommodating conflicts of group interests is one of deliberation and consent. The legislative vote on any issue tends to represent the composition of strength ... among the contending groups at the moment of voting. ... Administrative agencies of the regulatory kind are established to carry out the terms of the treaties that legislators have negotiated and ratified. ... The Judiciary, like the civilian bureaucracy, is one of the instrumentalities of the agreed rules.

This may be true in most instances, except that legislators also tend to be players or the only players in many cases and referees. Depending on the world view espoused by legislators, in relation to policymaking theory, the legislators being players and referees can entrench elitism in society generally as the policies likely to emerge will favour the elites. This highlights the role of watchdog institutions in society to guard against the exploitation of the vulnerable groups in society.

#### **4. Sources and classification of data**

A careful selection of literature was made, both as primary and secondary data. To enable ease of analysis, although not reflected here, the data was further classified into three groups: that dealing with policy content, policy process, and policy output. There is both primary and secondary data dealing with GEAR and RDP, social Development and ABET, and this classification is reflected in some way although with difficulty because of the inevitable overlap.

##### **4.1 Primary data**

Primary data reviewed in this study includes: the *GEAR, A macroeconomic strategy* (Department of Finance, 1996); the *Reconstruction and Development Programme, A policy framework* (ANC, 1994); the *White Paper on Reconstruction and Development* (Office of the President, 1994); *A Policy Document on Adult Basic Education and Training* (Department of Education, 1997a); the *National Skills Development Strategy: Skills for Productive Citizenship for all, April 2001- March 2005*, (Department of Labour, 2001); *Human Resources Development Strategy: A Nation at Work for a Better Life for all* (Department of Education, 2001a); *Creating and Implementing our Vision of Social Development: A report to the 2001 National Consultative Workshop* (Department of Social Development, 2001); and the *National Consultative Process: Ten Point Programme of Action* (Department of Social Development, 2001b). These are key government policies on the economy, social development and adult basic education and training.

## 4.2 Secondary data

Key sources of secondary data include: the *Elite Transition from Apartheid to neoliberalism in South Africa*, (Bond, 2000); *A critical investigation into the nature of the relationship between adult basic education and training and lifelong learning in South Africa* (Adams, 2000); *Comparative Education: The dialectic of the global and the local* (Arnove & Torres, 1999); *Globalization and Education: Critical perspectives* (Burbules & Torres, 2000); *Policy-making in the new South Africa: A case study of the National Economic Development and Labour Council (NEDLAC)* (Houston, et al, 1998); *The Political and Social Contexts of Adult Education and Training in South Africa* (Groener, 2000); *Policy Ambiguity and Slippage: Higher Education Under the New State 1994 – 2001* (Kraak, 2001); *Educational Reform for National Development: Outcomes-Based Education (OBE) in South Africa* (Bhola, 2001); *COSATU submission on the Adult General Education and Training Bill and the General and Further Education and Training Quality Assurance Bill* (COSATU, 2000).

Further sources of data included: the *University of Natal survey of adult basic education and training: South Africa* (Aitchison et al, 2000); *A survey of adult basic education in South Africa in the 90s* (Harley et al, 1996); *An RDP Policy Audit* (Bond & Khosa, 1999); *A review of government and voluntary sector development delivery from 1994* (Development Update: Vol.3 No.3 & Vol. 3 No.4, 2001); *A National Multi-year implementation plan for Adult Education and Training: provision and accreditation* (Department of Education, 1997b); the *Labour Force Survey* (Statistics South Africa, 2002); the *Poverty and Inequality in South Africa: Report prepared for the Office of the Executive Deputy President and the Inter-Ministerial Committee for Poverty and Inequality* (May, et al, 1998); *Mothers and fathers of the nation: the forgotten people – report of the ministerial committee on abuse, neglect and ill-treatment on older persons, Volume 1 main report* (Department of Social Development, 2001); and the *National Strategy on Elder Abuse* (Department of Health, 1997). These represent what different researchers and commentators have to say about the different policies studied, and the conclusions of the study are largely based on, or informed by, these studies.

## **5.     *Limitations of the study***

The limitations of policy analysis as described earlier in this chapter are invariably limitations of this study. While much effort has been made to ensure that all points of view are treated equally, given the nature of the study, no claims can be made to absolute objectivity. Furthermore, the relative scarcity of literature on policy analysis, and in particular on the GEAR macroeconomic strategy which is being analysed here was another limiting factor. The time available and scope of this work did not allow for an in-depth analysis of the data and interpretation of the results to come up with firm conclusions. As such, there may be instances where conclusions are not borne out by concrete evidence but popular writings in the respective fields under review.

## Chapter Four

### **The review of literature and perspectives on the Growth Employment and Redistribution as macroeconomic strategy and its relationship to social development and adult basic education and training.**

It is perhaps important to briefly sketch the history of how South Africa has moved from being ruled by an undemocratic regime to, not just being another democratic country but in fact, an example for even some of the established democracies of the world. It all dates back to the emergence of the liberation movement and the intensification of efforts against apartheid in the early 1900's. Owing to the shortness of space, I will only focus on the aspects of this history that are of relevance to this policy study in the mid to late 1900's.

#### **1. A brief historical overview of the struggle for liberation**

To advance the struggle against apartheid, the **African National Congress** (ANC) took a decision to work with the **South African Communist Party** (SACP) (originally the CPSA) a move, which was not supported by all forces opposed to apartheid in South Africa. This was followed by a breakaway of some of the liberation activists from the ANC and the formation of the **Pan African Congress** (PAC) in 1958 and the **Azanian Peoples Organisation** (AZAPO) eleven years later. The subsequent formation of what was known as the *Black Consciousness Movement*<sup>4</sup> (BCM) in the 1970s by activists – associated with the Azanian People's Organisation - mainly in tertiary institutions also pursuing the same objectives but through different avenues, was part of the ideological

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<sup>4</sup> This movement drew its influence from the American Black Consciousness Movement and was responsible for inspiring what will go down in history as the turning point in the history of the struggle for liberation. The 1976 campaign against the language policy which enforced the use of Afrikaans (one of two official languages) as the medium of instruction in certain subjects in black schools which were in the so-called white areas, culminating in what was to be later known as the 1976 Soweto students' uprising.

split among liberation activists (Hadland & Rantao, 1999; Meintjies, 1999; Roth, 1999).

The souring of relations between the ANC and the **Inkatha Freedom Party** (IFP), then called **Inkatha Yenkululeko Yesizwe**, in 1979, largely due to the latter's disapproval of the ANC's advocating for the armed struggle and economic sanctions (Randall, 1999; & Saunders, 1999) as a strategy to fight apartheid. The struggle intensified with the formation of the **United Democratic Front** (UDF) in 1983, operating as a *de facto* front for the ANC, to organise and mobilise resistance inside the country (Cachalia & Suttner, 1996:95). At the same time, the gap between the ANC and other liberation movements, especially inside the country, widened considerably.

In 1986, the hostility between the progressive liberation movements and the IFP became severe with the formation of two oppositional trade union federations: the ANC aligned **Congress for South African Trade Unions** (COSATU) which was pursuing what can be broadly classified as a socialist agenda - and the Inkatha aligned **United Workers Union of South Africa** (UWUSA) whose methods had features of a neoliberal agenda. COSATU became powerful with one of its affiliates being the **National Union of Mineworkers** (NUM) led by the able Cyril Ramaphosa as its Secretary General and working closely with the UDF (Johnson, 1999). On the other hand, UWUSA tried, to no avail, to amass the same level of influence in the workplace and failed in the same way that the IFP failed to gain political ground in other parts of the country with the exception of the KwaZulu homeland and Johannesburg migrant worker hostels.

The resistance that had continued in the late 1970s following the Soweto students' uprising of 1976 intensified in the mid 1980s after the formation of the UDF and the two union federations, particularly in the black townships in the Vaal triangle and in the Cape Province. Serious violence, much of it stimulated by the security forces, erupted in the late 1980's between the UDF and the Inkatha movement in Natal and spread to the Transvaal and continued even after the 1994 elections, claiming more than 20 000 lives, especially of the youth (Nzimande & Thusi, 1991: 3-19).

However, negotiations for a political settlement began as early as 1986 when Kobie Coetzee, then Minister of Justice, agreed to meet Nelson Mandela in his (Coetzee) Cape Town home. This was followed by a subsequent meeting three years later between Mandela and P.W. Botha, then president of South Africa, as well as several bilateral talks between Pretoria and the exiled ANC (Cachalia & Suttner, 1996:98-99).

Other delegations from different sides of the political spectrum in South Africa met with the ANC in exile. Of note, was the meeting organised by Frederik van Zyl Slabbert<sup>5</sup> during a conference in Dakar, Senegal, in 1987, between the banned ANC and some progressive Afrikaners, churchmen and representatives from the world art and the media (Du Plessis, 1999).

During the same period that Mandela was having talks with government representatives while in prison, delegations of businessmen mainly from the Anglo American Corporation, National Party leaders and the leader of the *Broederbond* met with Thabo Mbeki-led ANC delegations in exile and left convinced that talking to the ANC was the right thing to do (Gevisser, 1999). This was the beginning of serious talks in preparation for what would later become known as the **Convention for a Democratic South Africa** (CODESA) 1992/3, held after the unbanning of all political parties and release of political prisoners in 1990. During this time, the ANC did not only engage in negotiations but also began '*preparing to govern*' and embarked on developing policy alternatives for a democratic South Africa, on the basis of which they would negotiate the future political arrangement (Kraak, 2001:3).

In 1989, the Berlin Wall collapsed as did most communist governments in Eastern Europe and the Soviet Union, some of which had been sponsoring the liberation movement and in particular the ANC. This weakened the ANC in the negotiations, not only because it had been supported by those governments but because its liberation

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<sup>5</sup> Frederik van Zyl Slabbert had been a member of the Progressive Federal Party, and left parliamentary politics in February 1986 and, joined by Dr Alex Boraine – later to become the Deputy chairperson of the Truth and Reconciliation Commission, began to work behind the scenes to set South Africa on a new course.

struggle and proposals for a future South African government were based on some of the models implemented by some of those governments (*Ibid.*). This was perhaps one of the major setbacks in the history of the liberation struggle, especially because it happened at the time of the (behind the scenes) talks about the future. This, to some degree, gave the apartheid capitalists an upper hand in negotiating for more conservative market oriented policies, pointing cautioning against the failure of communist alternatives.

Essentially, all the brokering that took place and the pressure that was exerted on the apartheid masters, and on the liberation movement to change from what was perceived to be socialist policies, forced all to accept a negotiated settlement as a solution rather than a full-blown revolution or continuation of the status quo. As with all genuine negotiations, both parties had to concede some of their positions. Some of the weaknesses in the liberation movement were a result of the collapse of the Eastern block, and socialist models, and there were not enough trained people who could easily take up positions in the civil service – hence conceding to the deal to keep some of the senior apartheid bureaucrats. It was necessary for the new government to develop policies that were in line with the settlement that had been reached, and in particular to repay the Western super-powers which had pressured the apartheid regime into collapse by implementing policies congruent with their values. Some of the real issues that became apparent even during the negotiations were the fear of the destabilizing influence of Inkatha which could get Western support, and of some right-wingers in and outside of the state military machinery who were also threatening to destabilize the country.

Policies developed subsequent to the negotiated political settlement in South Africa, had to seriously take into account all aspects of the settlement.

## **2. *Different perspectives on the GEAR macroeconomic strategy and the RDP socio-economic policy framework***

Much is written about South Africa's journey from colonial rule and apartheid to democracy and social justice. Headway has been made in different aspects of this



journey in particular the development of policies, while much remains to be done about the implementation of the post-apartheid policies.

Patrick Bond, Associate Professor at the University of Witwatersrand, provides a detailed if contentious account of policy developments in South Africa immediately prior to 1994 and beyond, in his *Elite Transition from Apartheid to Neoliberalism in South Africa* (Bond, 2000). Other policy analysts such as Andre Kraak of the Human Sciences Research Council, who recently published a paper titled: *Policy Ambiguity and Slippage: Higher Education Under the new State 1994 - 2001* (2001); Professor Jonathan Jansen, Dean of Education at the University of Pretoria, who published a paper in 1997 titled: *Why Outcomes Based Education will Fail and Setting the Scene: Historiographies of Curriculum Policy in South Africa* (1999), in which he details how education and training policy in south Africa was developed; Harbans Bhola, Professor of Education at the Indiana University, who recently published a paper titled: *Educational Reform for National Development: Outcomes Based Education (OBE) in South Africa* (2001) in which he discusses education developments in South Africa up to 2001; and Dr Zelda Groener, of the University of Cape Town, who provides an in depth analysis of the GEAR strategy in her paper 'The Political and Social Contexts of Adult Education and Training in South Africa', (2000) and also published as a chapter in 'The State of Adult and Continuing Education in Africa', (Indabawa et al, (Eds.) 2000), provide some interesting perspective on the GEAR macroeconomic strategy, neoliberalism and globalisation in general as it relates to social policy in South Africa.

The study by the Human Science Research Council on 'Policy-making in the new South Africa: A case study of the National Economic Development and Labour Council' (NEDLAC) (Houston, et al, 1998), provides some important insights into one of the key objectives of the RDP, of democratising the state, and has been consulted in this study. In the following sections I provide a brief overview of what these studies referred to above have to say about the GEAR macroeconomic strategy and ABET and social development.

## **2.1 The GEAR macroeconomic strategy**

The COSATU union federation and other socialist activists charge that the GEAR macroeconomic strategy is a neo-liberal policy, underpinned by capitalism and is therefore bad for South Africa. Groener (2000:164) describes neo-liberalism as, “the philosophy underpinning neo-liberal development, which is primarily aimed at stimulating foreign investment, economic growth, global trade and global competition”. She argues that “the rise of neo-liberalism needs to be understood within the context of the emergence of the globalisation phenomenon over the last three decades” (Ibid.). The exact period of the emergence of globalisation and the neoliberal agenda is contested, but the relationship between the two phenomena is not.

Much has been written about the GEAR macroeconomic strategy by both its protagonists as well as antagonists – justifying or analysing the reasons for the South African Government of National Unity’s choice of this policy above the RDP policy. Despite the fact that the GEAR macroeconomic strategy claims to advance the objectives of the RDP policy, analysts (for example Bond, 2000; Groener, 2000; and Bhola, 2001), argue that it, in fact contradicts the RDP.

Typically, since its introduction in June 1996, the GEAR macroeconomic strategy has been at the centre of much controversy, such that it has on occasions threatened the unity in the ANC, SACP, COSATU alliance. The irony is that despite the fundamental differences in what the GEAR macroeconomic strategy and the RDP socio-economic policy framework represent, ‘the government has attempted to forge a relationship between social transformation and neo-liberal development (Groener, 2000:163)’. This calls for a detailed analysis. Bond (2000: 1- 2) observes that

it is sometimes remarked that the inexorable journey from a self-reliant, anti-imperialist political-economic philosophy to allegedly ‘home-grown’ structural adjustment that took Zambian, Mozambican/Angolan and Zimbabwean nationalists 25, 15 and 10 years respectively, was in South Africa achieved in less than five (indeed, two years if one takes the Growth, Employment and Redistribution document as a marker).

This statement accounts for some of the strongest criticisms of the GEAR macroeconomic strategy, and essentially suggesting that South Africa has set on an economic development path with devastating consequences. Despite this, South Africa's relatively peaceful transition from apartheid to democracy rule is often referred to as a miracle, and that South Africa has one of the most democratic constitutions in, and envied by, the rest of the world and that the Truth and Reconciliation Commission process is hailed as an overwhelming success. South Africa is also said to have one of the most stable and, to some degree, strong economies in the Southern African sub-region. Since the GEAR macroeconomic strategy is the economic policy of the country, the so-called 'economic miracle' is attributable to it. The real question is, whether we really have an economic miracle in South Africa. Indeed, compared to Zambia, Zimbabwe, Tanzania, Lesotho, Mozambique, South Africa's economy is strong, although many in South Africa's rural areas, urban townships with poor infrastructure, and informal settlements, using public education and health facilities, this is hardly true.

These views on the GEAR macroeconomic strategy raise questions about whose interests are served by the GEAR macroeconomic strategy and whose not. Much of the criticism of the GEAR macroeconomic strategy comes from organisations and individuals representing the poor, and the working class, and the praises from big business and the major western economic blocks. To illustrate this point, in October, 1996, the members of the Campaign Against Neo-liberalism in South Africa (CANSA), issued a statement (quoted in Bond, 2000: 187) in reaction to the visit by the then Managing Director of the International Monetary Fund (IMF), Michael Camdessus, which read:

The Finance Ministry's attempt to establish 'good relations' with the IMF follows its promotion of a macro-economic strategy in June 1996, which bears an uncanny similarity to the IMF's 11 new 'principles for economic success,' also termed the '11 commandments'. The Growth, Employment and Redistribution strategy – emphasizing cuts in government expenditure (particularly 'consumption' expenditure which will threaten social services), continuing high real interest rates, export led growth and trade liberalization, privatization and permission for increased capital flight from South Africa –

mimics the free market, monetarist policies that across the world favour the interests of powerful conglomerates and banks at the expense of workers, the poor, women, youth and other marginalized social forces.

While business organisations reacted positively to the release of the GEAR macroeconomic strategy. "Responding graciously, the South African Chamber of Business termed the strategy 'a major step in the right direction' and the South African Foundation considered it 'a creative and decisive response which speaks of courage and conviction'" observes Bond (2000:83). If indeed the GEAR macroeconomic strategy "mimics the free market, monetarist policies that across the world favour the interests of powerful conglomerates and banks at the expense of workers, the poor, women, youth and other marginalized social forces," as CANSA charges, it is not surprising that it is hated so much by many, especially in the civil society sector.

## **2.2 The Reconstruction and Development Programme: A socio-economic policy framework**

Bond (2000:90 – 91) argues that the RDP, despite some of its internal inconsistencies – as it makes reference to nationalisation while also protecting property rights, was indeed a sound policy. The strength of the RDP policy was its inherent guiding principles of integration and sustainability; being people driven; striving for peace and security for all; nation building; meeting basic needs and building the infrastructure; democratisation; assessment and accountability (Office of the President, 1994b:8-9).

The implementation of the RDP policy was faced with problems from the very outset, notes Houston *et al* (1998:4), due to the lack of administrative capacity that was required, especially since the democratic local government structures would only be in place in 1995. As a result, of the R2,5 billion budgeted for the RDP in 1994/5, only R800 million was spent. He further notes that,

A much deep-seated problem was identified in the middle of June 1995, i.e. the need for a much bigger growth rate to sustain the RDP and ensure the necessary resources for successful implementation of the programme. Thus, the emphasis shifted from redistribution to growth, with the latter seen as an essential requirement to the former.

In 1999, research teams from the Human Sciences Research Council and the University of Witwatersrand Graduate School of Public and Development Management undertook (at the Deputy President's request ahead of the 1999 elections) *An RDP Policy Audit* (Bond & Khosa, 1999:61). The authors concluded that "The RDP as a tool of government policy was formally downgraded in March 1996 (the RDP Ministry was closed and the RDP Fund returned to the Ministry of Finance for disbursal)". The downgrading of the RDP happened just two months before the announcement of the GEAR policy in June 1996. Patrick Bond, one of the co-editors of the *An RDP Policy Audit*, observes in his later book, *Elite Transition from Apartheid to Neo-liberalism in South Africa* (2000: 90), that "the RDP with all its very promising features was dumped in 1996 in favour of the Growth, Employment and Redistribution policy".

What it really means is that the RDP was official government policy for no longer than 18 months, characterised by lack of capacity, and therefore, could not have succeeded. The significance of this is that we will never know whether the RDP in its original form would have worked or not, if there had been more time and capacity.

### **3. Pre - and post - apartheid policymaking**

Houston et al, (1998), in the HSRC's *Policy-making in the new South Africa: A case study of the National Economic Development and Labour Council (NEDLAC)*, identifies three distinct eras of policy making in South Africa namely, the era before 1980, the era of the 1980's leading to 1994, and the post-1994 post-apartheid era. Houston et al (1998:1) in the section on *Democratic Participation*, further notes that

Policy-making in South Africa has been the exclusive domain of whites, while the Nationalist Party (sic) faced no serious challenge from its parliamentary rivals throughout the apartheid era. (...) Policy-making on economic and social matters was characterised by secrecy and authoritarianism, and was designed to maintain white political domination and the economic exploitation of blacks.

In the 1980's the *State Security Council* (SSC) was the most powerful government body in policymaking, and consisted of senior Cabinet Ministers, senior military, police and intelligence personnel. The SSC was involved in almost every aspect of government, and "was mandated to scrutinise all aspects of policy (including regional policy, economic policy, man-power training, and constitutional planning) which were influenced by security and internal stability considerations" (*Ibid.*). There was virtually no consultation on government policy and even the little that was there – the *Economic Advisory Council* of 1960 and the *National Manpower Commission* of 1979 – did not include non-white races.

This situation began to change in the 1980's, following the rise of black trade unionism – culminating in the formation of COSATU in 1985 - and the formation of the UDF in 1983 - which was formed to co-ordinate resistance against the introduction of the tri-cameral parliament and apartheid in general. The UDF identified its main role as resistance to apartheid and fighting for the establishment of the new democratic South Africa, based on "people's power". In the UDF's view, people's power arises when people "feel that they have some direct control over where and how they live, eat, sleep, work, how they get to work, how they and their children are educated, what the content of that education is; and that these things are not done for them by the government of the day, but by the people themselves (Houston *et al*, 1998:2).

Predictably, this view was not shared by the apartheid government and its Bantustan governments. By the late 1980's, the unions had entrenched themselves as major stakeholders to be consulted on both labour and economic policy following the "strike wave which arose from unilateral amendments to the Labour Relations Act (LRA) in 1988" (*Ibid.*). Disagreement on the amendment forced the apartheid government to negotiate with the major union federations COSATU and NACTU, and the South African Consultative Committee on Labour Affairs (SACCOLA), and this delayed the amendment of the LRA until 1991. This showdown on the amendment of the LRA marked the beginning of the consultative policy-making process, and was followed by the multi- party negotiation process of 1992/3 and the adoption of the interim

constitution, with the outcome being the first non-racial elections in April 1994.

Consultative policy making became the hallmark of the new ANC-led Government of National Unity (GNU) and, was institutionalised by the establishment of the National Economic Development and Labour Council (NEDLAC) in terms of the NEDLAC Act No. 35 of 1994 (Office of the President, 1994c) whose mandate was:

to strive to promote the goals of economic growth, participation in economic decision making and social equity; to seek to reach consensus and conclude agreements pertaining to social and economic policy; to consider all proposed labour legislation relating to labour market policy before it is introduced in parliament; to consider all significant changes to social and economic policy and promote the formulation of coordinated policy on all social and economic policy matter.

NEDLAC's success in carrying out this mandate has been varied considerably.

Houston, et al, (1998: 5) points out that,

Nedlac has not been allowed to play a policymaking role in certain critical areas of socio-economic policy. In particular the Government's failure to place its macro-economic policy framework, the Growth, Employment and Redistribution (GEAR) policy, before Nedlac undermines the role that Nedlac is supposed to play in promoting democratic participation in policymaking.

The GEAR macroeconomic strategy became the first policy to abandon the consultative process which had become the hallmark of the ANC government.

### **3.1 Policymaking in literacy, adult basic education and training**

Policy making in literacy, adult basic education and training deserves mention in this chapter. Unlike in other education sub-sectors, there was no policy in ABET prior to 1990. It was only in the early 1990's that there was sudden interest and attention directed towards ABET policy – then called ABE – as a result of the political changes, which were taking place in the country. "The prospects of a new democratic government created a climate in which the development of policy by its supporters was a burning issue" (Harley, et al. 1996:149).

Various policy analysts (in particular, Harley et al, 1996; Aitchison, et al, 2000; and French, 2002), identify the following as role-players on policymaking and programme delivery in literacy, adult basic education and training over the past two decades:

- *the National Party government*, although had not given any attention to ABE, began making pronouncements, which related to ABE in the Department of *National Education's Education Renewal Strategy* of 1991. This document did not consider ABE as a priority and therefore did not recommend any serious attention and funding to be channeled towards it.
- *the African National Congress*, after it was unbanned in 1990, established an Education desk, which was headed by John Samuel. It later helped established the Centre for Education Policy Development (CEPD) to conduct research to inform its education policy. The ANC's ABET policy proposals were contained in its *A policy framework for education and training* discussion document of 1994, mostly developed by the CEPD on behalf of the ANC.
- *the Government of National Unity (GNU)*, voted into power in 1994, published among its first policy documents the *White Paper on Education* in March 1995 which made some reference to ABET and, in September 1995, the national Department of Education's *A national adult basic education and training framework: Interim guidelines* was also published.
- *the private sector* worked mainly through the National Training Board (NTB), which, aided by the Human Science Research Council (HSRC), produced a *National Training Strategy Initiative (NTSI)*, the first report of which was released in 1991. However, due to lack of input from other important stakeholders and in particular COSATU, a representative Task Team was established in 1993 to take the NTSI forward. The Task Team established 8 committees, one of which was an ABE committee, and brought out a report in February 1994. The later NTSI report, with



input from COSATU, became the backbone of subsequent policy development initiatives and influenced, amongst others, the ANC policy proposals.

- *COSATU*, had not made any real intervention of significance in ABE policy development prior to 1990. It was only in February 1991 that COSATU's Central Executive Committee endorsed a set of principles for effective ABE programmes, subsequently endorsed – after some refinement – by the national congress in July 1991. From this point onwards, COSATU played a significant role in ABET policy development, in particular its contribution to the NTSI.
- *the NGO sector*, had been active in literacy and ABE provision for a long time. This sector was essentially divided into three groups: those which associated themselves with the Freedom Charter; those who aligned themselves with the Black Consciousness Movement, and those who were more conservative in their approach, claiming to be apolitical while supporting the state – either the apartheid state directly or the apartheid state sponsored Bantustans. Although not speaking with the same voice, it is the first two groupings – broadly considered as progressive NGOs – which played an active role in ABET policy development.
- *the funders*, such as the Joint Education Trust (JET), the European Commission and the United States Agency for International Development (USAID), in particular influenced policy development – while being careful not to be accused of dictating terms – towards the formalisation of ABE. They insisted on developing mechanisms to standardise literacy provision and institute some form of measurement. They supported the Independent Examinations Board (IEB) and development of common outcomes against which programmes would be measured. In fact, most funders made it a condition for their grants that NGOs register their learners for the IEB examinations. USAID supported earlier standard generation in ABET, through its Adult Basic Education and Literacy (ABEL) project. As a result, ABET unit standards were the first to be registered on the NQF.

- finally, *educational institutions* played a key role in policy development through conducting research, in particular the National Education Policy Investigation carried out between December 1990 and August 1992, primarily aimed at looking at policy options for the broad democratic movement.

These role-players contributed in different ways. However, the most influential remained the private sector and organised labour. In fact, much of education policy, and in particular adult basic education policy in South Africa, can be traced back to the proposals of these two major role players. They played so much of a role that even the ANC adopted much of their proposals. Role-players in policy making changed somewhat during the period 1995 to 2001 (as Kraak's phases show) with the change of government and emergence of new institutions (in particular NEDLAC).

## Chapter Five

### **Analysing the data on GEAR and its relationship to social development and ABET**

**T**his chapter presents and analyses the data with regards to the relationship between the GEAR macroeconomic strategy, social development and ABET. In previous chapters some data on the different aspects of this study were presented and discussed. A particular focus of this chapter is to investigate the nature of the relationship between these aspects of economic and social policy.

#### **1. *The origins of the GEAR macroeconomic strategy and key role-players in its creation***

I start this section by tracing the origins of the GEAR macroeconomic strategy, understanding that it is indirectly a result of the negotiated settlement. I believe it would be a mistake to presume that those who actively contributed to the development of the GEAR macroeconomic strategy are the only creators of the strategy. If anything they are mid-wives who helped the birth of a child that was conceived of some six (or even more) years before its birth. The parents are intellectuals from elements of the liberation movement and capitalists from mainly the South African financial institutions and big business, notably Nedcor/Old Mutual, Sanlam and the Anglo American Corporation (Bond, 2000). Therefore, in the same way that there was political compromise for the sake of peace and stability during the negotiations of the new political order, there were compromises at the table of negotiations of the economic order of the new dispensation.

According to official documents, the GEAR macroeconomic strategy was created by some academics from three South African universities, civil servants from the Departments of Labour (DoL), Trade and Industry (DTI), and Finance (DoF),

economists from the Development Bank of South Africa (DBSA), the South African Reserve Bank (SARB), and the World Bank (WB). This kind of representation clearly indicates that the GEAR macroeconomic strategy was created by the elite with no representation from civil society<sup>6</sup>. The same point is confirmed by Bond (2000:82) who observes that:

Most of the 15 economists who devised the strategy were from institutions such as the Development Bank of Southern Africa, World Bank, Reserve Bank and Stellenbosch Bureau of Economic Research. Just one, Stephen Gelb, had solid roots in the Democratic Movement (which he severed ...); and only one black economist was said to have participated. In reality though, the Labour Department's chief director for policy, Guy Mhone (...), attended just one session of the group before quitting.

It seems the deal which culminated in the adoption of the GEAR macroeconomic strategy as the economic framework for South Africa was not negotiated openly, and that it lacked popular participation and was not subjected to public scrutiny in the same way that other post-apartheid policies were. The remarks by the Secretary General of the South African Municipal Workers Union (SAMWU<sup>7</sup>), addressing the Eastern Cape congress in 1998, are quite telling of the lack of popular participation in the creation of GEAR when he said:

I would be lying to say that we were not caught unawares by the ANC-led government of national unity's release of the Growth, Employment and Redistribution (GEAR) macro-economic policy during June 1996. This policy [is] so similar in many ways to the old Nationalist Party (sic) introduced Normative Economic Policy ... (COSATU, 1998).

The lack of popular participation, the dominance of the financial sector in the creation of the GEAR macroeconomic strategy, validates the charge that it is a market-driven

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<sup>6</sup> Civil society in this study refers to a combination of the union movement, civic organisations, Faith-Based Organisations, and NGOs.

<sup>7</sup> SAMWU is an affiliate of COSATU, and by extension part of the tripartite alliance involving the ANC, SACP and COSATU. It is undoubtedly a major stakeholder in any policy aiming at meeting the basic needs as it is at the level of municipalities where the responsibility for the delivery of services lies.

capitalist economic policy. The capitalism of recent times is strongly associated with neo-liberalism, a concept which I deal with later in this study.

In one of the preceding sections, I identified NEDLAC as an institution charged with achieving consensus on both economic and social policies. I also mentioned that NEDLAC was excluded from the development of the GEAR macroeconomic strategy, something which dented the credibility of the GEAR macroeconomic strategy in certain circles of the development sector. It is unlikely that the South African government would, of their own accord, overlook an institution it created. This situation alone gives credence to the suggestion that the South African government was pressurised into accepting the GEAR strategy. Bond (2000:53 – 57), in the following statement, implies that some forces external to the ANC were responsible for the change of ANC policy on the economy, as he notes,

That the core ANC leadership held firm in favour of more neo-liberalism during the mid 1990s suggests an extraordinary disjuncture with the past. Understanding this disjuncture requires delving beyond issues of 'structure' (the balance of forces in the economy and society) and into the particular way in which 'agency' (ANC leadership) was shaped.

It is not clear who pressurised the South African government however the general view in the social development sector is that it was the economic super powers of the west, who had earlier exerted power on the apartheid regime to surrender. It makes sense that - since neoliberalism has as one of its strategies to minimise the power of the state and ascendancy of the market in determining the course of history – the European and United States governments and their financial institutions would be more interested in the economic developments in South Africa. The recent events of South Africa's negotiations of trade agreements with the European Union and the announcement by the US government of agricultural subsidies indicates a one-sided trade arrangement in which the west can freely trade with the South while closing up its markets to the south.

Bond further suggests that while the popular movements were developing the RDP, the ANC leadership closer to capitalists were also hard at work developing an alternative policy, in what he calls 'corporatist deal-making in the sphere of economy' (Bond, 2000:55). In February, 1996 – a month before the closure of the RDP office – the **South African Foundation**, a lobby for big business, came out with its growth strategy document which,

called for rapid concerted action in five areas: legislation, macroeconomic policy, government, markets and foreign trade and investment. It argued that investor confidence had to be boosted through a number of measures to improve growth in GDP and employment. The measures included firm action against crime, a sharp reduction in the budget deficit through government expenditure reduction, the privatisation of state-owned enterprises, the creation of a flexible labour market policy through an exchange rate that makes South Africa competitive internationally, and through reform of the tax system ... (Houston *et al*, 1998:3)

Much of the proposals contained in the 'big business' document were repeated word for word in the GEAR macroeconomic strategy, another indication of its tendency towards so-called capitalists' orientation. The union federation (COSATU) responded to the proposals from big business, with a *Social Equity and Job Creation* document, stressing job creation and social equity and favouring a more interventionist policy concentrating on the demand side. This included a job creation strategy, through such measures as public works, housing programmes, demand expansion, training and land reform and a redistributive strategy to alleviate poverty and provide basic needs by increased taxation of corporations and high-income individuals coupled with a reduction of value-added-tax on necessities consumed by the poor (*Ibid.*).

It can be concluded therefore, that the GEAR macroeconomic strategy, is part of the package of the negotiated settlement, which is particularly sensitive to the demands of big business. To illustrate, the neoliberal provisions in government's water policy opened the way for international businesses to successfully bid for privatized water provision in towns such as Nelspruit and the Dolphin Coast (see also Bond, et al. 2002).

## **2. The GEAR macroeconomic strategy and economic development**

The GEAR macroeconomic strategy is a neoliberal policy underpinned by a conception that globalisation is necessary and good. It is important that I explain the connection between neo-liberalism and globalisation right from the outset. In the introduction to the book they edited, *Globalization and Education: Critical perspectives* (2000:1-2), Burbules and Torres (eds.) make a point about the different views held about globalisation among the contributing authors to this book, as follows:

For some of these authors, the term (globalization) refers to the emergence of supranational institutions whose decisions shape and constrain the policy options for any particular nation-state; for others, it means the overwhelming impact of global economic processes, including processes of production, consumption, trade, capital flow, and monetary interdependence; for still others, it denotes the rise of neo-liberalism as a hegemonic policy discourse; for some it primarily means the emergence of new global cultural forms, media, and technologies of communication, all of which shape the relations of affiliation, identity, and interaction within and across local cultural settings; and for still others, "globalization" is primarily a *perceived* set of changes, a construction used by state policymakers to inspire support for and suppress opposition to changes because "greater forces" (global competition, responses to IMF or World Bank demands, obligations to regional alliances, and so on) leave the nation-state "no choice" but to play by a set of global rules not of its own making.

Whether positive or negative is debatable depending on the reader's worldview, but the views of these different authors show that globalisation has both impact and influence on policymaking, in a wide range of spheres, including education and training. What is also noticeable from the conceptions of globalisation put forward in the above citation is that globalisation is understood differently by different people. These also represent different if oppositional ideological orientations. What is of interest is reference to globalisation as the 'emergence of supranational institutions ...', 'the rise of neo-liberalism as a hegemonic policy discourse ...' and as a 'set of changes ...' All this proves that the impact of globalisation on policymaking is powerful and that, while it might be worth fighting the globalisation phenomenon, it is definitely not wise to ignore

it.

Morrow and Torres (2000:27-30), identify at least three stances that have been taken by other commentators with respect to the origins of globalisation: (1) that its origins lie with that of the human civilisation process and therefore it is seen as part of a process that has been around for more than five centuries, (2) the world systems theory links globalisation to the origins of capitalism, "culminating in the sixteenth century emergence of a global economy", and (3) the third perspective considers globalisation to be as recent as two decades old. Whatever its origins and age, it is clear that globalisation changes the way societies are organised and function and "how the states mediate powers at both the sub state and trans national levels" (Ibid).

Despite the different perspectives about its origins, globalisation can be broadly understood to represent "the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa" (Ibid.). It is a single phenomenon that has generated much debate, protest, and attention from virtually all sections of the development continuum. For those in the so-called developing world, globalisation is regarded by many as responsible for the poverty and poor living conditions to which many people are condemned, and for those in the so-called developed world, it is the best innovation that could have ever happened, changing the way in which production is carried out, and defying the geographical boundaries of nation-states by multinationals in their quest to minimise costs of production.

What is interesting is that even those who oppose globalisation - such as the international anti-globalisation movements - have adopted some of its strategies and features in fighting it. Other thinkers suggest that there are two kinds of globalisation, the much hated globalisation from above – designed and serving the interest of rich countries of the north, their multi-nationals and the elites within and across national contexts – and globalisation from below – a popular process that primarily draws from the rank and file in civil society, the anti-globalisation movements such as the Jubilee



2000 and the International Labour Organisation. Recent meetings of institutions accused of supporting 'globalisation from above' such as the **World Trade Organisation** (WTO), **World Economic Forum** (WEF), **World Bank** (WB), the **International Monetary Fund** (IMF), and the G8 Summits, have seen the clash of these two kinds of globalisation on a world stage.

Writing on the subject of Education Reform for National Development: Outcomes Based Education in South Africa, Bhola, (2001:v) has the following to say about globalisation:

We write from the assumption that Globalization, as we know it, is unjust, in fact cruel; and is in need of re-invention so that it may serve all of the people on the globe and not only those living within the citadels of Globalization. We believe that a dialectic between the global and local can be so arranged that there will be space available for participative, deliberative democracy that will accommodate authentic pluralism; that political democracy will be combined with economic democracy, and freedom as a consumer will not be confused with freedom as a citizen; and where the state will not withdraw from its responsibility for education, health and welfare, or from affirmative action on behalf of the weaker sections of the society.

Here, Bhola condemns globalisation, but calls for its "re-invention" so that it can serve all the people, rather than sloganeering about its evils. Robert Reich makes an remarkable observation in *The Work of Nations* (quoted in Hargreaves, 1994: 53) where he observes, in respect of post-modernity, (one of the dimensions of globalisation) that:

We are living through a transformation that will rearrange the politics and economics of the ... (this) century. There will be no national products or technologies, no national corporations, no national industries. There will no longer be national economies, at least as we have come to understand that concept. All that will remain rooted within national borders are the people who comprise a nation. Each nation's primary political task will be to cope with the centrifugal forces of the global economy which tear at the ties binding citizens together – bestowing over greater wealth on the most skilled and insightful, while consigning the less skilled to a declining standard of living. As borders become ever more meaningless in economic terms, those citizens best positioned to

thrive in the world market are tempted to slip bonds of national allegiance, and by so doing disengage themselves from their less favoured fellows.

Reich's perspective captures the essence of globalisation as it confronts the rest of the world. Burbules and Torres (2000:14) identify at least three crucial characteristics of globalisation, stating that it represents:

- *in economic terms*, a transition from Fordist to post-Fordist forms of workplace organisations; a rise in internationalised advertising and consumption patterns; a reduction in barriers to the free flow of goods, workers, and investments across national borders; and, correspondingly, new pressures on the roles of worker and consumer in society;
- *in political terms*, a certain loss of nation-state sovereignty, or at least the erosion of national autonomy and correspondingly, a weakening of the notion of the "citizen" as a unified and unifying concept, a concept that can be characterised by precise roles, rights, obligations and status;
- *in cultural terms*, a tension between the ways in which globalisation brings forth more standardisation and cultural homogeneity while also bringing more fragmentation through the rise of locally oriented movements.

At one level, there are demands on education to be able to prepare people to function in a rapidly globalising environment, and in responding to these demands, education itself becomes globalised. Morrow & Torres (2000:35-35) argue

that the more decisive implications of globalisation and post-Fordism for education lie in three areas: (1) most fundamentally, the changed role of the state in the global, informational (...) economy in response to the failures of the previous welfare-state, Keynesian model development; (2) neoliberal pressures to develop educational policies that attempt to restructure postsecondary (sic) educational systems along entrepreneurial lines in order to provide flexible educational responses to the new model of industrial production; and (3) a related call for the reorganization of primary and secondary education and teacher education along lines that correspond to the skills and competencies ostensibly required by workers in a globalizing world.

Undoubtedly, South Africa has been impacted upon by globalisation in most, if not all the, areas outlined by Morrow and Torres. The role of the state in the economy is constantly being questioned, and the privatisation of state assets is one element of the GEAR macroeconomic strategy. Secondary education is restructured in the *Education White Paper 4* (A programme for the Transformation of Further Education and Training, (Department of Education, 1998b) along entrepreneurial lines, and the introduction of outcomes based education and its 'first cousin' – Curriculum 2005 – has sought to change primary education and teacher education along the same lines. Apple (2000:58) argues that "Behind all of this is an attack on egalitarian norms and values. Although hidden in the rhetorical flourishes of the critics, in essence 'too much democracy' – culturally and politically – is seen as one of the major causes of our declining economy and culture". He further argues that "The threat to egalitarian ideals that these attacks represent are not usually made quite this explicitly", since they are often couched in the discourse of "improving competitiveness, jobs, standards, and quality in an educational system that is seen to be in total crisis" (Ibid.).

Essentially, the changes at an economic level, has serious implications for education and training, as discussed later in this chapter.

### **3. *The GEAR macroeconomic strategy and social development***

Although the GEAR macroeconomic strategy is an economic policy, it has good intentions for social development outlined in its vision statement. The vision of the macroeconomic strategy is "a competitive fast-growing economy which creates sufficient jobs for all work seekers; a redistribution of income and opportunities in favour of the poor; a society in which sound health, education and other services are available to all; and an environment in which homes are secure and places of work are productive" (Department of Finance, 1996:1). This vision has elements of social development although it is silent and does not make specific policy proposals for addressing social development. The GEAR macroeconomic strategy sets out strategies to achieve only the economic aspects of this vision by identifying areas in which specific policies are necessary to be developed in order for the strategy to succeed. The trade; industrial and small enterprise; and social sectors are identified as areas in which new

policies are to be developed or old ones drastically reviewed, and the fiscal, monetary and exchange policies identified as areas which require policy review. Other areas requiring attention are public investments and asset restructuring; employment, wages and training.

In pursuing the vision of the GEAR strategy, the ANC-led government set on a path which is understood by some analysts to constitute fundamental departure from positions espoused by the ANC in the 1990s. "Whereas, at the beginning of the 1990s, the ANC, acknowledging the deep economic inequalities caused by apartheid, promoted extensive government intervention in the reconstruction of society – within the model of 'growth through redistribution', the GEAR macroeconomic strategy, adopted by the government in 1996, confirmed government's endorsement of 'redistribution through growth' strategy, one commonly prompted by proponents of neoliberalism, such as the World Bank and the IMF (Groener, 2000:165)".

Central to the RDP policy, was the idea of meeting basic needs, an idea which is also reflected in the GEAR macroeconomic strategy. To assess the extent to which the GEAR macroeconomic strategy is committed to social development in the same way as the RDP, I examine the extent to which the idea of meeting basic needs is given priority.

### **3.1 Meeting basic needs**

The idea of needs is both powerful and highly contested. Nevertheless, 'basic needs' is generally understood to mean services such as water and sanitation, education, health services, energy for domestic use, housing, roads and transport, and telecommunications; adequate and even distribution of municipal services; and access to social security. The immediate question to be asked about this list of basic needs is what is it that qualifies them to be called basic needs? The answer to this has to be derived from analysing the results of how they improve or threaten human life depending on whether or not they are met. My own conception of which needs are basic relates to the extent to which people's lives are threatened by lack of these services. And indeed, there is enough evidence that all these services qualify, with varying degrees of urgency (see also Bond, et al. 2002).

It must be mentioned that there are different reasons why these services are not available to everyone in South Africa. Failure of the economic model of the country to cater for all individuals is often the major contributor. It seems there is a level also, where basic needs are not met, not because of poor or lack of resources but because of lack of skills or sheer laziness of state employees, such as in education in some schools, some public hospitals, parts of the criminal justice system, some municipalities, and in many public service oriented central, provincial and local government departments, such as welfare. This alone, means that the meeting of basic needs requires more than infrastructure development but skills development and the inculcation of a service delivery culture on those tasked with working in these areas. If these issues are not addressed, it could mean the difference between life and death for some people.

### **3.2 The GEAR macroeconomic strategy and meeting of basic needs**

The GEAR macroeconomic strategy does not make any policy pronouncements on social development except in the vision statement, and simply notes that social policies are embodied in other legislation. The government, since 1994, and more particularly after 1996 embarked on an intensive policy development process culminating in legislation in various areas. There is virtually policy and or legislation on any of the areas identified above as basic needs. In this study, I only focus on social development and adult basic education and training policies.

### **3.3 Social development policies**

The Department of Social Development is responsible for social welfare and defines it as "an integrated and comprehensive system of social services, facilities, programmes and social security to promote social development, social justice and social functioning of all individuals" (Ministry of Social Welfare, 1995:8; GCIS, 2000:447). The national Department of Social Development is responsible for the development of policies, legislation and funding norms and standards for the delivery of social services and human resources capacity, while the provincial departments are responsible for provincial policy, planning, social welfare services, social security, and human

resources development within this sector (GCIS, 2000:447).

The key feature of the social welfare policy of the South African government is that a developmental approach to social welfare has been adopted, details of which are contained in the *White Paper on Social Welfare*, adopted by parliament in February 1997. The policy was adopted after much discussion and consultation with all stakeholders on the earlier discussion document published in June 1995. Although two years is a relatively long time between the release of a first discussion document and finalisation of the policy, this was necessary to ensure that all stakeholders have the opportunity to input into the policymaking process.

The development approach to social welfare as adopted by the Department of Social Welfare (1997a) involves among other things:

- capacity building and the promotion of self-reliance to empower people to play a meaningful and productive role in society;
- greater use of auxiliary workers, volunteers and family and community-based models of care rather than institutional care;
- new funding criteria for developmental welfare programmes;
- a greater focus on poverty eradication;
- commitment to continuing publicly-funded non-contributory grants for the elderly and people with disabilities, a comprehensive social security system and policy and a restorative justice approach in dealing with children, youth and families in trouble with the law;
- re-engineering the social security delivery system to improve efficiency and eliminate fraud; and
- creating a sound relationship between the government and NGOs.

The Minister of Social Development, Dr Zola Skweyiya, further identified 10 priorities for his department over the next five years. These include:

- Restoring the ethics of care and human development in all welfare programmes. This includes the rebuilding of families and communities.

- Developing and implementing an integrated poverty-eradication strategy that provides direct benefits for those who are in need, within a sustainable development approach.
- Developing a comprehensive social security system that links contributory and non-contributory schemes and prioritises the most vulnerable households.
- Responding to the brutal effects of all forms of violence against women and children, including strategies to deal with perpetrators.
- Providing a range of services to support community-based care and support for people living with Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome (HIV/AIDS) as well as those affected, such as AIDS orphans.
- Developing a national strategy to reduce youth criminality and unemployment within the framework of the National Crime Prevention Strategy.
- Making social welfare services accessible and available to people in rural, peri-urban and informal settlements, as well as ensuring equity in service provision.
- Redesigning services for people with disabilities in ways that promote their human rights and economic development.
- Basing welfare work on a commitment to co-operative governance that includes working with different spheres of government and civil society.
- Training, educating, redeploying and employing a new category of workers.

(GCIS, 2000:447-449; 2001).

The essence of this policy is that, instead of government issuing welfare handouts, people should be assisted to earn their livelihood, by initiating and participating in an income generating project, and making use of their energy. Not all aspects of this policy and plan have been implemented. Part of the difficulties in implementing this policy is that the majority of the personnel in the Social Welfare Departments of the 9 provinces are social workers whose training does not include such things as asset development and poverty alleviation. One of the agencies established for the purpose of implementing this policy is the National Development Agency (NDA). There is no doubt that the Department of Social Development was correct in adopting a developmental approach discussed above. Social Development is a sector which has many serious challenges ranging from the apartheid inherited unresponsive social welfare system based on race, to the skills shortage and lack of capacity to deal with the combined departments of

welfare. And, the need to address poverty, especially among the economically inactive section of the population, due to age, disability, and or other social factors is another challenge.

According to the Department of Health's *National Strategy on Elder Abuse* (1999:7), in 1996, there were 1.94 million people older than 65 (who qualify for old age pensions), a majority of whom were found in rural areas. Most of the aged in rural areas are poor and have no other form of income and depend on the state pension. Considering that there are other categories of social grants other than the old age pensions, such as child support grants, disability grants, etc., the figures of people eligible for social grants is much higher – estimated to be between 5 and 8 million. The fact that only 3.5 million are currently receiving social grants as indicated in the table below indicates that the Department of Social Development is falling short in providing social security.

**Table 2: Number of beneficiaries receiving grants from the Department of Social Development (March 2001)**

Provinces	Aged Persons Grant	Child Support Grant	Foster Care Grant	Disability Grant	Care Dependency	State Maintenance Grant	War Veterans Grant	Combination Grants	Total
Eastern Cape	400 222	111 009	10 052	140 149	6 619	33 093	874	635	702 668
Free State	114 410	47 300	4 657	35 057	956	6 697	207	186	209 419
Gauteng	225 982	101 360	7 814	63 577	3 046	9 125	1 512	242	412 658
KwaZulu-Natal	393 194	166 878	8 638	134 290	9 809	27 514	847	844	742 063
Mpumalanga	134 277	69 792	1 347	34 849	1 400	5 075	197	55	246 992
Northern Cape	42 625	14 468	3 859	30 310	697	14 540	285	488	107 192
Northern Province	290 135	138 021	1 951	58 426	3 453	9 160	544	30	501 730
North-West	153 928	71 617	1 900	55 655	2 217	2 295	135	44	287 792
Western Cape	148 883	37 274	12 341	50 579	3 256	41 040	1 643	1 438	336 462
<b>Total</b>	<b>1 903 661</b>	<b>**757 728</b>	<b>52 642</b>	<b>642 932</b>	<b>31 452</b>	<b>148 545</b>	<b>6 244</b>	<b>3 802</b>	<b>3 546 976</b>
Grant type as % of total	53,7	21,3	1,5	18,1	0,9	4,2	0,2	0,1	100,0

\* The State Maintenance Grant was phased out on 1 April 2001.

\*\* The number of beneficiaries (categories) is lower than the number of children in payment as a caregiver may receive a grant for more than one child.

Source: South Africa Yearbook 2000/01



One of the key elements of the developmental approach of the Department is the eradication of poverty through sustainable programmes. As part of this strategy, the department receives an allocation from the National Treasury for poverty alleviation. The table below show the allocations made by the department to poverty relief projects over a three year period.

**Table 3: Allocation of Poverty Relief Funds 1998/99 to 2000/01**

Allocation of Poverty Relief Funds 1998/99 to 2000/01		
Department	Allocation for projects (R)	Number of projects
Eastern Cape	31 691 318	706
Free State	18 140 661	204
Gauteng	21 787 407	197
KwaZulu-Natal	41 412 276	609
Mpumalanga	20 352 894	222
Northern Cape	19 031 550	169
Northern Province	30 263 455	265
North-West	16 201 629	248
Western Cape	20 026 166	121
National Department	116 530 939	112
<b>Total</b>	<b>*335 438 298</b>	<b>2 853</b>
* The balance of the funds was allocated for capacity-building and administration.		

**Source:** South African Yearbook 2000/1

Figures quoted in the Development Update (2001:75) indicate that "close to half of South Africa's population – or some 18-20 million people – live in poverty". Considering this, it is unlikely that the 2853 projects funded from poverty relief funds from 1998 to 2001 have reached even 1 million people. Assuming that each of these projects benefited 100 people, only 285 300 would have been reached. Some of these projects are much smaller than this, which brings this figure even lower. The report by the Auditor-General on the expenditure of the Department of Social Development showed that of the R450 million allocation for the Department of Social Development for the

1998/9 financial year, only 22% (excluding pension payments) was spent and 0.7% of the R204 million for poverty relief. This left much as R350 million unspent of the general allocation and above R200 million of poverty relief funds (*Ibid.*83).

Another initiative of the Department of Social Development was to register all non profit organisations (NPO), with a view to understanding the size of the NPO sector, and its contribution. It was also intended that the Department would use them in delivering services. Some 6180 Non Profit Organisations were registered in terms of the Non Profit Organisations Act, No. 71 of 1997 (Department of Social Welfare, 1997b) over the period 1997 to 2001. Despite this, it does not seem that the department is using these organisations and their infrastructure and expertise as a delivery mechanism for its poverty relief programme. Many NPOs are cash-trapped and close down at an alarming rate and valuable experience is lost.

Another institution, set up by legislation introduced by the Department of Social Development to help fight poverty and other related causes, is the NDA, referred to above. The main role of this organization is to serve as a funding conduit for non governmental and non profit organisations. Since its inception, this organization has suffered unacceptably high staff turnover at all levels and allegations of mismanagement, resulting in very little delivery on the ground. This means that, while the policy of government is sound at face value, its impact is very limited. This is a situation which has to change if social development is to become a reality. Having sound policies without implementation is not enough.

The following table shows a disturbing picture in view of much research evidence cited in the introduction chapter about the patterns of poverty distribution. This table is further evidence of a development model which promotes redistribution through growth. Put simply, it means that growth has to precede development, and the less developed a province, the less it will benefit from redistribution programmes.

**Table 4: The breakdown of NDA disbursed and committed funds per province from 2000 - 2002**

Province	Amount disbursed in 2000 - 2001	% of national total	Amount committed in 2000/2001	% of national total
KwaZulu Natal Province	5,441,633	10.55	8,227,793	6.50
Eastern Cape Province	8,236,962	15.97	16,411,250	12.97
Northern Cape Province	3,029,037	5.87	8,273,604	6.54
Limpopo Province	7,187,287	13.93	36,085,242	28.51
Gauteng Province	10,734,211	20.81	17,631,594	13.93
Mpumalanga Province	3,064,550	5.94	2,671,111	2.11
Free State Province	3,055,815	5.92	8,393,461	6.63
Western Cape Province	7,483,095	14.50	23,903,677	18.89
North West Province	3,345,093	6.49	4,970,883	3.93
<b>Total</b>	<b>51,577,683</b>	<b>100</b>	<b>126,568,615</b>	<b>100</b>

**Source:** *Annual Report. National Development Agency*

### 3.4 Education and training policies

A number of pieces of education and training legislation have come into effect since the new democratic order was ushered in, in April 1994. These were intended to transform a system which was unjust, fragmented and therefore not able to respond to the social and economic development needs of all South Africans. This unjust system was a result of, among other legislation, the Bantu Education Act, No. 57 of 1953 (Ministry of Native Education, 1953) which effectively condemned millions of South Africans to illiteracy so that apartheid capitalism could thrive on cheap labour. Treasury restrictions on funding for the education of black people ensured the success of apartheid policies in so far as leaving millions of people either without any formal education or very inferior education so that those who received it were not better off. The allocation of education resources confirms this: "according to 1993 statistics, R1650 was spent on each (black) child per year, while R2902 was spent on each 'coloured' child, R3702 on each 'indian' child and R4372 on each white child" (Welgemoed, 1998:37).

The new system developed to replace the apartheid education was a very complex education and training system co-ordinated in a National Qualifications Framework (NQF), governed by a qualifications authority (SAQA) established in terms of the South African Qualifications Authority Act, No. 58 of 1995 (Department of Education, 1995c) and underpinned by an outcomes based education (OBE) philosophy. This new system

is predicated on the notion that the integration of education and training is both good and desirable. This is despite the fact that the ministries of Education and Labour are headed by different ministers – something which is perceived by many analysts as counter the efforts to integrate education and training (Bhola, 2001; Jansen, 1999). In reality, not much integration of education and training has happened.

This entire transformation process of the education system was contested heavily by education experts on various grounds, including the inadequate preparation of teachers, the over-complexity of the curriculum framework and tendencies of the OBE philosophy (as defined in official government documents) to have the features of the discredited behaviourist education theory. In the forefront of these debates was Professor Jonathan Jansen, then dean of the Education Faculty of the University of Durban Westville (Bhola, 2001:20 – 22). The critics of OBE came from across racial and ideological spectrum. Though they were sometimes met with hostility and often personalised rebuttals from the Ministry of Education and its allies, the opening of a spontaneous public debate on OBE was very encouraging, given the history of curriculum in South Africa “in which official knowledge was handed down to be implemented rather than set in dialogue and discussion” (Jansen, 1999:10-11). Viewing criticism of the new education policies with hostility became the hallmark of the new administration. An example of this was the response by the Director of Adult Education at the national Department of Education to a report by Professor John Aitchison, - then Director of the Centre for Adult Education at the University of Natal – titled: *Literacy and adult basic education and training in South Africa: a quick survey*, which pointed out some weaknesses in the implementation of the new adult education system (Aitchison, 1998).

With the change of governments and therefore ministers of Education, in 1999, much education policy was changed or reviewed. Kader Asmal was appointed Minister of Education in 1999, and in 2000 announced a review of C2005 headed by Professor Linda Chisolm, of the University of Natal. Another result of the change of government was the inclusion of illiteracy eradication (which had not received much priority in the

previous government) in the 10 point priorities of Minister Kader Asmal, in *A Call to Action* (Asmal, 1999). This leads me to a discussion of developments with regards to ABET and the GEAR macroeconomic strategy.

#### **4. *The GEAR macroeconomic strategy and adult basic education and training***

On the adult basic education front, the GEAR macroeconomic strategy is completely silent, as mentioned elsewhere in this study, and therefore we turn to secondary policies and legislation in order to discuss this aspect.

The Department of Education's (1995b) Directorate: Adult Basic, Community Education and Training released *A National Adult Basic Education and Training Framework: Interim Guidelines* in September 1995. Together with the release of this interim policy document, then Minister of Education, Professor Sibusiso Bengu, announced a R50 million allocation of donor funds obtained from the European Union to be used to implement a pilot project testing the interim policy in all nine provinces. Each province was allocated R5 million to plan, implement, monitor and evaluate the project and feed the results to the national Department's Directorate for Adult Basic, Community Education and Training to inform further policy development. It was intended to reach some 10 000 adult learners in each province in the first two levels of ABET, learning mother tongue literacy, English and some numeracy up to ABET level 2 of the NQF. Provincial Departments of Education – which were themselves struggling to find their feet as they worked towards unified provincial departments of education - worked with different NGOs to implement this project (Ithuteng). This was welcomed by many NGOs who had accumulated a lot of experience in adult education and had hoped that the new government would work with them, and in so doing recognise their contribution in this field and perhaps channel more resources their way. The success of this project remains doubtful in respect of the number of learners actually reached. However, the project was successful in generating some useful experiences to inform future developments.

A perception had been created that after the Ithuteng pilot project, a bigger campaign

would be launched. This did not happen. What did happen was the finalisation of the ABET policy culminating in the launch of *A Policy Document on Adult Basic Education and Training* in October 1997 (Department of Education, 1997a), and *A National Multi-year implementation plan for Adult Education and Training: Provision and Accreditation* (MYIP) (Department of Education, 1997b) at the same time. Subsequent to this, in 1999, a draft Green Paper on adult basic education and training and a White Paper on the same were written but never published. In 2000 an ABET Act, No. 52 of 2000 (Department of Education, 2000c) was enacted after it was published twice as a Bill, first as *A Draft Adult General Education and Training (AGET) Bill* (Department of Education, 2000a), and an *Adult Basic Education and Training (ABET) Bill* (Department of Education, 2000b).

The policy document on ABET (1997a) and the MYIP were welcomed by activists in the field as a step in the right direction, restoring some confidence in the government's commitment to ABET. However, this was short lived, as it was followed by inaction on the part of government, leading to the targets set out in the plan not being achieved, in fact some literacy activists perceived government as a gatekeeper preventing them accessing donor funding, resulting in the collapse of many ABET NGOs. By the time the draft Green and White papers on ABET were in the making, there was not much enthusiasm in the ABET sector, and the AGET and ABET Bills did not do much to revive it.

A number of concerns were raised about the AGET and ABET Bills and subsequently the Act itself, by activists in the ABET field that:

- the confusion brought about by the change of name from ABET to AGET (although this was rectified in the second version of the bill);
- the fact that both versions of the Bill and Act did not make provision for a mechanism to prioritise ABET in budget allocations by national treasury and the national and

provincial education departments and this results in ABET continuing to receive pathetic budget allocations;

- the preoccupation of the Bills and Act with registration of centres under the pretence of quality assurance when there are bodies established in terms of the SAQA Act – the Education and Training Quality Assurers – whose role it is to promote and maintain quality. This was seen as creating unnecessary administration bottlenecks in a system that is already not coping administratively and therefore stifles initiative and innovation and may result in many people being denied access to ABET, some going as far as equating it with the Bantu Education Act of 1953 (Aitchison, 2000);
- the governance system proposed for public centres is copied from the progressive system applicable in schools -according to the South African Schools Act, No. 27 of 1996 – (Department of Education, 1996) but is difficult to implement due to inadequate capacity and skills from the people who serve in the governance structures. The school governance system is functioning poorly, despite there being relatively better budget allocations for schools in comparison;
- the status of employment and conditions of service of adult educators is not addressed, and the Employment of Educators Act, No. 76 of 1998 (Department of Education, 1998c) fails to give clarity on this matter. This means that educators in ABET remain unprotected as they are employed under very unclear conditions and this has serious implications for the quality of teaching and learning and stability in public adult learning centres.

The inadequacy of funding for ABET, although often denied by those in authority, is confirmed by various reports and newspaper articles (Aitchison *et al*, 2000; *Mail & Guardian*, April 15 to 25, 2002 & April 26 to May 2, 2002) (see also tables 5 & 6 below borrowed and adapted from the report prepared by French, (2002:41-24) on behalf of the HSRC commissioned by the Education Training and Development Practices SETA).



**Table 5: Estimated expenditure for adult basic education and training, 2001/02 to 2004/05**

R'000	2001/02 estimated actual expenditure	2002/03	2003/04	2004/05	Real change 2001/02-2002/03	Real change 2002/03-2004/05
<b>Eastern Cape</b>	77996	191791	15931	16631	130.9%	-92.1%
<b>Free State</b>	49277	5451	5834	7227	-89.6%	20.3%
<b>Gauteng</b>	113428	160197	142445	149332	32.6%	-15.4%
<b>KZN</b>	44934	53751	63230	67024	12.3%	13.1%
<b>Mpumala</b>	29371	36133	43000	45580	15.5%	14.4%
<b>NCape</b>	4760	9124	9383	9471	80.0%	-5.8%
<b>Limpopo</b>	28594	41320	43166	45508	35.7%	-0.1%
<b>NWest</b>	58514	52200	54000	55525	-16.2%	-3.5%
<b>WCape</b>	15317	16020	16832	17707	-1.8%	0.3%
<b>Total</b>	<b>422191</b>	<b>565987</b>	<b>393821</b>	<b>414005</b>	<b>25.9%</b>	<b>-33.7%</b>

**Source:** *Provincial estimates of expenditure 2002 (quoted in French, 2002)*

This table shows an erratic pattern of budget allocation for ABET in the different provinces. This could also mean that authorities do not see ABET as a priority, as such, ABET allocations can be altered from year to year without proper explanations, especially in the case of the Eastern Cape. This lack of prioritisation of ABET is projected even clearer in the following table (Table 6), which shows ABET allocations as a percentage of provincial education budgets. In all provinces, with the exception of North West, the Eastern Cape in 2001/2 & 2002/3, Free State in 2001/2 and Mpumalanga in 2002/3 & 2003/4 & 2004/5, ABET allocations account for below 1% of the provincial education budget. The North West is the only province that has consistently allocated more than 1 % of the budget to ABET, the difference in the allocations of subsequent years in the Eastern Cape and Free State and in the years preceding the expenditure of above 1% in Mpumalanga is not explained, hence the assertion that expenditure patterns are erratic (see also Aitchison, 1998:8).



**Table 6: Adult basic education and training as a percentage of provincial budgets, 2001/02 to 2004/5**

	<b>2001/02 estimated actual expenditure</b>	<b>2002/03</b>	<b>2003/04</b>	<b>2004/05</b>
<b>Eastern Cape</b>	1.0%	2.2%	0.2%	0.2%
<b>Free State</b>	1.5%	0.2%	0.2%	0.2%
<b>Gauteng</b>	0.0%	0.0%	0.0%	0.0%
<b>KZN</b>	0.5%	0.5%	0.6%	0.6%
<b>Mpumala</b>	0.9%	1.0%	1.1%	1.1%
<b>NCape</b>	0.5%	0.8%	0.8%	0.7%
<b>NProv</b>	0.4%	0.6%	0.6%	0.5%
<b>NWest</b>	1.5%	1.2%	1.2%	1.2%
<b>WCape</b>	0.3%	0.3%	0.3%	0.3%
<b>Total</b>	0.6%	0.8%	0.5%	0.5%

**Source:** *Provincial estimates of expenditure 2002 (quoted in French, 2002)*

I now want to briefly discuss another important education and training policy, which has implications for ABET, the Skills Development Act, No. 97 of 1998 (Department of Labour, 1998). This Act is a culmination of a policy process which began immediately after the new ANC-led GNU came into power, although it was contemplated much earlier than this. This Act was enacted after a long process of research and study sessions by South African leading unionists and government officials in other countries which have similar legislation. Unlike the ABET Act, it went through the various stages including: Green Paper, Bill and then Act, during which it was thoroughly debated and various sectors consulted on its provisions.

The main provision of this act is to make it compulsory for employers to invest in the training of their employees with a view to address the skills shortages in South Africa. The Act provides a legislative framework within which skills development should take place; it provides for the collection of a skills development levy equal to 0.5% of payroll in the first year (2000/01) and 1% of payroll thereafter; it establishes the necessary structures for the implementation of the objectives of the Act; and introduces various modes of delivery of skills development programmes, of note in this respect is the learnership programme.

Subsequent to the enactment of the Skills Development Act, various other pieces of

legislation such as the Skills Development Levies Act, No. 9 of 1999 (Department of Labour, 1999), different regulations on the establishment of the National Skills Authority (NSA); determination of economic sectors and establishment of Sector Education and Training Authorities (SETA), learnerships, the National Skills Development Strategy and various other aspects of the Skills Development Act were promulgated (Department of Labour, 2000). It is perhaps too early at this stage to know whether these pieces of legislation are working or not, however there are already indications of whether or not social development needs of our country are being met through these policies.

In theory, the Skills Development Act, should also stimulate action in the delivery of ABET programmes, at least for all employees needing it. In reality this is not happening, and increasingly, most ABET candidates are retrenched, so that who benefits from this scheme will, at best be those employees who already have some notable education and skills, and at worst nobody, and money will lie unused in the National Revenue Fund.

## Chapter Six

### Key findings of the study

This report presents several findings in the key areas of the study. These relate largely to the ideological shift within the ANC, the inconsistencies in the policymaking process, the silence in the GEAR macroeconomic strategy about ABET, and how other legislation on human resources treats ABET and what actually happens. With regards to the ideological shift, I discuss the changes from the RDP to the GEAR macroeconomic strategy; with regards to the policymaking process, I look at the NEDLAC case study, and ABET legislation, and with regards to the silence about ABET in the GEAR macroeconomic strategy and how ABET is treated in other legislation I discuss the Human Resources Development Strategy, and the National Skills Development Strategies.

#### **1. *The GEAR macroeconomic strategy and implementing the RDP***

The assessment of policies ensuing from the GEAR macroeconomic strategy suggests that in various areas concerned with meeting the basic needs, building the economy, human resources development, and democratising the state, the GEAR macroeconomic strategy has deviated considerably from the RDP policy. This is a shift in the underlying ideology, even though the same goals are being pursued, as stated in the opening paragraph of the GEAR macroeconomic strategy (Department of Finance, 1996:1). The analysis of several government policies in areas concerned with meeting basic needs shows several shortcomings which limit government success in meeting this objective.

For example, with respect to the goal of building the economy, the GEAR macroeconomic strategy's targets are quite bold - and, yet, this goal is not being met. In fact, a growth rate of 6% was projected, and only 1.6% was achieved by 2000. And unemployment grew to just over 29% in 2001 (*Development Update*, 2001:56; Bond,

2000:112 – 118; Statistics South Africa, 2002: viii). The failure to reach the economic targets has impacted on the objective of meeting basic needs. Bond, (2000; Bond, et al. 2002:272) cites the overall neoliberal conservatism that characterises these policies as contributing factors to their own failures.

As for the human resources development goal, both the Human Resources Development Strategy (Department of Education, 2001a) and the National Skills Development Strategy (Department of Labour, 2001), fall short in their targets and this limits their overall contribution to the development of the economy and by implication (in terms of the trickle down effect) on the social development project. This is discussed in some details in later sections of this chapter.

On democratising the state, much headway has been made, though there are fears that the very democratic processes put in place by government get ignored at various levels. NEDLAC was circumvented in the development of the GEAR macroeconomic strategy, and the public participation process in policy and legislation formulation tend to be implemented as a formality at times and therefore public input amounts to very little. In this respect, the development of ABET legislation is a case in point.

In the final analysis, the basic needs of many South Africans remain unmet, and it is unlikely that the situation will change, given that unemployment is growing rather declining. Employment, public health, literacy and child mortality are regarded as good indicators of human development, and South Africa's record is impressive in neither.

## **2. *The policymaking process***

One of the goals and programmes of the RDP is the democratisation of the state. There is no doubt that the new state under the ANC-led government can in no way be compared to the apartheid state in any respect. In fact, it was the ANC-led government that passed the NEDLAC Act, No.35 of 1994 (Office of the President, 1994c) which established NEDLAC to serve as a forum for social dialogue between government, the private sector, and civil society including organised labour to discuss and debate all social and economic policies. However, the extent to which this goal is being achieved

remains doubtful, as the discussed below demonstrates.

## **2.1 Civil society participation in political processes**

The politics of representation are such that there is never a time that all groups feel adequately represented. Nevertheless, attempts were made to ensure that NEDLAC is as inclusive as possible. Furthermore, there were still other avenues through which civil society and general members of the public could make input into policymaking. The legislative and policymaking process adopted by the ANC was one where legislation goes through various stages such as the green paper, white paper and then Bill stages before becoming law. During all these stages the public is given an opportunity to comment. Several factors often limit the successful implementation of this democratic principle in policymaking. These include:

- the perceived inefficiency of the government communication system which leads to most pieces of legislation reaching the final stages in the process without the knowledge of the majority of the affected population;
- the *Government Gazette* system of communicating with the public remains inaccessible and then renders this just a formality as the majority of the people have no access to the Government Printers to obtain copies of proposed legislation or any of the other few sources from which copies of the *Government Gazette* are obtainable in particular national government departments offices, most of which are based in Pretoria.
- announcements of documents for public comments are often in English newspapers which the majority of people cannot afford and cannot understand because of illiteracy, limited or no understanding of the English language;
- the great digital divide between the rich and poor means that the documents posted in different websites for public comments can only be accessed by the few who have access to the internet technology and South African government policy becomes accessible to people across the oceans but to the South African citizens;

- the public hearing process on some legislation tends to be limited to Cape Town, and obviously not everyone can easily reach Cape Town. Essentially, public participation tends to only be open to those with the means, and excludes the poor, and yet they are the ones who bear the brunt of poverty, illiteracy, disease, social alienation, etc.
- sometimes, the sheer inefficiency of the system means that even those with access to all the forms in which government communicates cannot access documents in time before the closure of public comment periods. A case in point was the availability of the Adult General Education and Training Bill that was only available for public comment between 31 March and 23 April 2000 – during which there were Easter holidays - and by the time most people in the ABET field got hold of the proposed policy document, the closing date had expired. It was only posted in the Department of Education website weeks after the closing date for public comments had expired. When it was published again as the *Adult Basic Education and Training Bill*, the team representing the interim ABET Advisory Board<sup>8</sup> (IAAB) whom the author was part of), was only granted an appointment to make a presentation to the Education Portfolio Committee two days before the deadline and only received the copy of the Bill a day before the presentation. As a result, fewer submissions were received during both phases of the public participation process and even the few received did not seem to find their way into the final document which was finally passed by parliament and signed into law by the state President in December 2000.

The circumstance around the development of the ABET Act creates misgivings about what is otherwise a very progressive approach to policymaking, one which has its roots in the mass democratic movement. Nevertheless, it would be unfair to draw firm conclusions based on these case studies alone. It is possible that this was not

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<sup>8</sup> The IAAB was a body established in 1998 in accordance with the recommendations contained in the *Multi-year Implementation Plan* (MYIP) to serve the purpose of coordinating activities in the ABET sector.

deliberate; however, the same cannot be said of how the GEAR macroeconomic strategy bypassed NEDLAC.

## **2.2 The NEDLAC case study**

NEDLAC is among the first institutions to be established by the post-apartheid government of South Africa, to give express to the RDP objective of democratising the state. NEDLAC was to serve the purpose of being a body that is charged with seeking consensus on issues of social and economic development. The objectives stated in the NEDLAC Act, (No.35 of 1994) are to:

- a) strive to promote the goals of economic growth, participation in economic decision-making and social equity;
- (b) seek to reach consensus and conclude agreements on matters pertaining to social and economic policy;
- (c) consider all proposed labour legislation relating to labour market policy before it is introduced in Parliament;
- (d) consider all significant changes to social and economic policy before it is implemented or introduced in Parliament;
- (e) encourage and promote the formulation of co-ordinated policy on social and economic matters (Office of the President, 1994c:8).

NEDLAC is governed by four chambers namely: the economic, labour, public finance and development chambers. It is in these chambers that different policies are thrashed out before reaching parliament according to the objectives of the NEDLAC Act.

In attempting to implement these objectives, a number of dynamics have emerged, including the dissatisfaction from the civil society representatives with being restricted to only the development chamber and the fact that opposition parties are not represented at NEDLAC, and therefore they (opposition parties) do not really get to influence legislation because often by the time it reaches parliament it is a done deal. The exclusion of NEDLAC from discussing the GEAR macroeconomic strategy before it was introduced in parliament as policy, and the fact that only the proposals that had been previously propagated by the business community's **South African Foundation**, and

none of COSATU's, raised doubts about the South African government's commitment to the process of developing policy democratically as was initially envisaged.

### **3. *The Human resources development policies***

Policy documents of different government departments with almost no exception identify the lack of adequate skills as a major hindrance to the attainment of government's objectives in various areas. In the section of the GEAR macroeconomic strategy dealing with enhancing productivity, it is stated that

government also recognises that job creation and improved living standards require a substantially increased commitment by the business sector to industrial investment and *productivity enhancing training* (my own emphasis). (...) Training underpins productivity improvement by enhancing human capability – across all labour market segments and product lines - to exploit technological flexibility and add value on competitive terms. (Department of Finance, 1996:19)

Theoretically, among other ways towards addressing the problem of the shortage of skills in South Africa was through the integration of education and training. While there is a move towards the integration of education and training, which became part of official policy with the passing of the South African Qualifications Authority Act, No. 58 of 1995 (Department of Education, 1995c), the GEAR macroeconomic strategy seemed to differ. In chapter 6 of the GEAR strategy (Department of Finance, 1996:14) education is identified as part of the sectoral policies which are "not the direct focus of this (macroeconomic) strategy" - in fact education is only mentioned in two paragraphs - and training is identified in chapter 8 (Ibid.19) in the section that deals with enhancing productivity. This separation of education and training is significant in view of the policy of integration proclaimed in the SAQA Act, (Department of Education, 1995c).

To deal with the training needs of the economy, the GEAR macroeconomic strategy identifies a process by the Department of Labour "on the development of a new human resource development strategy in partnership with all major stakeholders, which is planned to culminate in new legislation in 1997". The Skills Development Act, No. 97 of



1998 (Department of Labour, 1998) was only passed in 1998 at around the same time as the Further Education and Training Act, No. 98 of 1998 (Department of Education, 1998d). The GEAR macroeconomic strategy has the following to say about the financing of education and training,

Government recognises that it has an important role to play in financing education and training activities aimed at the unemployed and the small business sector and in enhancing the quality of technical and vocational education and training. Sustained improvements in the quality of general schooling are also largely responsibility of the fiscus. Industrial training must remain mainly the responsibility of employers.

Government seeks to facilitate the development of financing mechanisms that will enjoy broad support from both the business sector and organised labour. (Department of Finance, 1996:20)

I consider adult basic education and training as part of the 'education and training activities aimed at the unemployed' to be financed by government. However, judging by the experience of the last seven years, ABET will never get the budgetary attention it requires to address the problem of illiteracy and low skills. The level of funding ABET has been receiving from the state has consistently been below 1% as shown in table 6 above. The fact that in all sections dealing with education and training, ABET is not mentioned at all in the GEAR macroeconomic strategy, and very little allocation made for ABET by the treasury indicates that it is not seen as a national priority. A comforting move is how the subsequent National Skills Development Strategy (Department of Labour, 2001:11 ) prioritises ABET in the success indicators of the first objective which states that, "By March 2005, 70% of all workers in employment will have a level 1 qualification on the NQF".

However, the rate at which jobs are lost is alarming. Often those likely to lose jobs are semi-skilled workers with low or no formal education (ABET candidates). This means that the number of people without NQF level 1 is decreasing rapidly, and therefore it is possible to reach the 70% target without making a serious dent on illiteracy or low education levels in the country.

### 3.1 The National skills development strategy

The Departments of Labour and Education have respectively come up with separate but similar strategies to address the problem of skills shortage in South Africa – the *National Skills Development Strategy* (NSDS) (Department of Labour, 2001) and the *Human Resources Development Strategy* (HRDS) (Department of Education, 2001a). The Department of Labour's strategy draws heavily on the macroeconomic strategy in terms of focus and mechanisms for funding, while it is not clear who will finance the HRDS and its objectives.

The NSDS is designed to implement the Skills Development Act, No.97 of 1998 (Department of Labour, 1998) and the Skills Development Levies Act, No.9 of 1999 (Department of Labour, 1999). "These two pieces of legislation introduce new institutions, programmes, and funding policies designed to increase investment in skills development. There are two over-riding priorities that this legislation seeks to address. The first is the ever-present reality of the global economy and the imperative to increase skills to improve productivity and the competitiveness of industry, business, commerce and services. The second is to address the challenges of social development and the eradication of poverty" (Department of Labour 2001:4). There are 5 objectives that the NSDS seeks to meet, each with its own success indicators or targets all to be achieved by March 2005. These are paraphrased as follows:

1. **Developing a culture of high quality lifelong learning** – the targets are: that 70% of workers have attained NQF level 1 qualification; 50% of the 15% of workers in structured learning programmes complete satisfactorily; 20% of enterprises per sector and 5 government departments are committed to or have achieved an agreed national standard for enterprise-based people development.
2. **Fostering skills development in the formal economy for productivity and employment growth** – at least 75% of large enterprises and 40% of medium enterprises are receiving skills development grants and productivity improved and employer and employee benefits are measured; learnerships are available in every sector; all government departments

assess and report on budgeted expenditure for skills development relevant to the Public Service Sector and Departmental priorities.

3. **Stimulating and supporting skills development in small businesses** - at least 20% of new and existing registered small businesses to be supported in skills development initiatives and the impact of such support to be measured.
4. **Promoting skills development for employability and sustainable livelihoods through social development initiatives** - by March 2003, 100% of National Skills Fund (NSF) apportionment to social development is spent on viable development projects; the impact of the NSF is measured by project type and duration, including details of placement rates, which shall be at least 70%.
5. **Assisting new entrants into employment** – a minimum of 80 000 people under the age of 30 have entered learnerships; 50% of those who have completed learnerships are, within six months of completion, employed in full-time study or further training or are in a social development programmes.

### **3.2 The human resources development strategy**

On the other hand, the Department of Education (2001a:15-18) in its Human Resources Development Strategy (HRDS) identifies five strategic objectives and indicators of success which it seeks to address by 2005/6:

1. **Improving the foundations for human development** – the indicators for this strategic objective include: increased participation in Early Childhood Development from 440 000 learners in grade R to 1 million; improving literacy rates and participation in adult basic education and training (ABET) by establishing a functioning SA National Literacy Initiative (SANLI); implementation of a multi-year implementation plan and the DoL and SETAs to work towards the achievement of the NSDS target of 70% of workers achieving NQF 1 qualifications by 2005; provide universal general education (9yrs) for learners between 6 and 15 years who are out of school; improve examination pass rates by continuing with school effectiveness programmes, implement the whole school evaluation policy, ensure management posts are filled with trained staff, promote the functioning of school governing bodies, promote and support teacher development programmes, weed out non-performing

teachers, and improvement in school infrastructure and security; improve maths and science results by increasing number of maths and science candidates at higher grade level, and identification and training of suitable teachers.

2. **Improving the supply of high-quality skills which are more responsive to societal and economic needs** – indicators include: paying particular attention to learning in areas of scarce skills such as science, engineering and technology and further and higher education and training levels; participation of adults in FET programmes; embark on active recruitment strategies to improve enrolments in higher education institutions and providing bursary assistance; distribution of learners between and across HE institutions; distribution of learners between further and higher education institutions; retention of skilled labour and recruitment of foreign skilled workers in the short-term; and placement of FET and HE graduates in employment.
3. **Increasing employer participation in lifelong learning** – the indicators for this objective include the changes in the labour market; improved private sector commitment to skills development; decreased unemployment levels including youth; public sector education and training to support service delivery; implementing skills development for SMME and social development initiatives.
4. **Supporting employment growth through industrial policies, innovation, research and development** – by prioritising expenditure on research and development, increase the number of science-industry partnerships; and identification of economic sectors with significant growth and employment potential.
5. **Ensuring that the four strategic objectives of the HRD strategy are linked** – through collection, analysis and dissemination of data in relation to the HRD strategy; ensuring the effective functioning of all SETAs in all economic sectors including the public service; mechanisms established to enable Cabinet and its support structures to monitor activities; mechanisms established to win commitment to the HRDS from the private sector, trade unions and other key stakeholders.

There are many similarities in both strategies, and their targets, except that the NSDS sets very concrete and measurable targets, while the HRDS sets more process oriented

targets which are difficult to measure. A brief analysis of both strategies shows the following:

- Both strategies tend to focus more on the needs of the economy, although the NSDS pays more attention to people currently in employment with or without post matric qualifications, the HRDS takes this into account and pays particular attention to people in schools, FET and HE institutions in preparing them for participation actively in the economy, and to some degree addresses ABET, except both the SANLI and ABET directorates are ill-functioning with skeleton staff.
- Both mention the social development sector and the need for skills development therein without setting any measurable targets for how 'the NSF apportionment to social development ... spent on viable development projects' will be achieved, including what is meant by social development and viable development projects. Already now, (December 2002) not all apportionment of NSF to social development projects has been allocated and spent. It is unlikely that the March 2003 deadline for the achievement of these targets will be met.
- Both maintain that their objectives are ambitious, however the NSDS sets a target of "a minimum of 80 000 people under the age of 30 (having) entered learnerships by 2005" and the Department of Education's evaluation of these objectives is that the employers attitudes was very positive. Experience on the ground seems to dispute this positivism, as more and more employers regard the training levy as just another tax and do not claim it back which means no training. Furthermore, at the current rate (15000 learners in learnerships by November 2002), it is unlikely that the 80 000 learner target of the NSDS will be reached by 2005. Something short of a miracle is needed to ensure this target is reached.
- Perhaps a sharp contradiction between the HRD and NSD strategies is in setting a target of 70% of all in employment having an NQF level 1 qualification, while

the HSRC study quoted in the HRDS shows that already “64.1% of persons currently employed possess the GETC (...) that is pegged at Level One on the NQF (Department of Education, 2001a:38).” This implies that the attainment of this target may not have a positive impact in the country’s literacy and under education rates since only 5.9% of the working population is targeted.

- Furthermore, the fact that ABET, defined by the Department of Education as a “conceptual foundation toward lifelong learning ...” is not given any special attention in terms of budgetary allocations – considering that the target for objective 1 can be achieved without spending much money on ABET, and the SANLI and ABET directorates are suffering from inadequate budget allocations, and staff – even if the first objectives of both strategies are achieved it will not necessarily translate in the improvement of the illiteracy and under-education situation.
- The lack of clear resource allocations or reference to clear sources of funds to support the HRDS is a concern. Another concern is the lack of participation in the skills development process by employers although they pay their levies – this includes government departments who are not required to actually pay levy monies to the South African Revenue Service for training (instead they are supposed to budgeted the amount equivalent to the levy for training). Many provincial Departments of Education have, not complied with this requirement.

Viewed from the point of view of these strategies – which are specifically mentioned in the GEAR macroeconomic strategy as vehicles for addressing the skills shortage and thereby stimulate economic growth – adult basic education and training is not a priority for the GEAR macroeconomic strategy. This is despite the rhetoric which is not matched with resources to support the effective delivery of adult basic education and training programmes for all who need them (see Aitchison, et al, 2000).

#### **4. *Targets of the GEAR macroeconomic strategy, and its likely short and long-term effects on its target group***

The target group of the GEAR policy is two-fold. To the extent that it claims to pursue the goals of the RDP, its target is the poor people who will ultimately benefit from a vibrant economy that is able to provide jobs, and cater for all social development needs of society; and to the extent that it depends on economic growth to meet the goals of the RDP, its most immediate target is the markets and capital. Many policy directives contained in the macroeconomic strategy and secondary policies are directed at stimulating growth. It is argued in the GEAR macroeconomic strategy document (Department of Finance, 1996:1) that:

Sustained growth on a higher plane requires a transformation towards a competitive outward oriented economy. The strategy developed ... attains a growth rate of 6 percent per annum and job creation of 400 000 per annum by the year 2000, concentrating capacity building on meeting the demands of international competitiveness.

In other words, the projected annual growth rate of 6% and job creation will be realised if the local economy is competitively outward oriented – i.e. able to export to other international markets – and has the intellectual, technological and sophisticated infrastructural capacity to be internationally competitive thereby attracting direct foreign investment. It is for this reason that government has adopted the HRDS and the NSDS to achieve the level of intellectual and technological sophistication required for growth. To this end, the GEAR macroeconomic strategy document argues that for the projected annual growth to be achieved there is a need for:

- accelerated growth on non-gold exports;
- a brisk expansion in private sector capital formation;
- an acceleration in public sector investment;
- an improvement in the employment intensity of investment output growths; and
- an increase in infrastructural development and service delivery making intensive use of labour based techniques. (Department of Finance, 1996:2)

From a training point of view, an economic strategy based on international competitiveness requires training of high-flying information technology specialists, engineers, etc., most of which professions are not easily accessible to ABET candidates. The private sector knows this and will therefore focus on the training of the few who already possess some skills, and are therefore easily trainable towards the required level of sophistication, and in so doing those who have more will get more and those who have less will get less or nothing. This is also clear in the targets set in the NSDS (Department of Labour, 2001:11), that “70% of all workers (will) have a Level One Qualification on the NQF, by 2005” when already “64.1% of persons currently employed possess the GETC (equivalent to the current Grade 9 certificate) that is pegged at Level One on the NQF” according to the HRDS (Department of Education, 2001a:38).

Therefore, while it could be argued that the macroeconomic strategy has the poor people as its target beneficiaries, unless the projected economic growth is achieved, the same poor people are casualties of the same policies. To illustrate this point, government is privatizing some of its functions in order to attain competitiveness, and in all privatized government enterprises, job losses have resulted, affecting mainly the poor.

##### **5. *The Change in the material conditions, statuses of the targets of the GEAR macroeconomic strategy, and the intended and unintended consequences of the policy***

The failure of the economy to achieve the targeted annual growth of 6% and annual job creation target of 400 000 jobs by the year 2000, as a point of departure for the GEAR strategy validates Groener's (2000:164), misgivings about the contribution of neoliberal development to social transformation. Everatt and Zulu, in an article *Analysing Rural Development Programmes*, have the following to say:

It has become something of a truism in many quarters to say that the South African government frequently develops policies that are ambitious and developmentally sound, but cannot be fully implemented for various reasons (including lack of capacity and skills,



budgetary problems and so on). In many instances this criticism is fair. (*Development Update* 2001b:7).

This is particularly the case with the Department of Welfare and Population Development's *Poverty Relief and Infrastructure Investment Fund*, which "focussed on delivering *inter alia* economically sustainable assets (...) to poor communities, as preferable to welfare handouts (Ibid)." Earlier in this chapter, I referred to the 'developmental approach' adopted by the Department of Welfare and Population Development (now called the Department of Social Development) as sound and progressive. The problem of course is that the Department lacks the capacity to implement this policy. It relies on social workers, who have no training as development workers to implement an infrastructure development programme, and as a result, not much comes of it, and the funds have remained unspent over several financial years. This weakness has tended to characterise most if not all rural community development programmes. However, Everatt and Zulu argue that the Integrated Sustainable Rural Development Strategy (ISRDS) is "premised on a frank appraisal of many of the weaknesses we have discussed" and therefore believe that it stands a chance of delivering sustainable development. However, they "predict that if the ISRDS is 'fast-tracked', it will fail: capacity needs at a local level are enormous and cannot be provided overnight (Ibid)".

What is very clear from different government expenditure reports outlined in Everatt and Zulu (2001, 33 – 36) and GCIS (2001) is that most of the poverty relief programmes provide short-term employment as people participate in the development of these assets and once completed they are back to poverty. The *Working for Water (WfW)* and *Working for the Coast (WfC)* programmes of the Department of Water Affairs and Forestry and Department of Environment Affairs and Tourism respectively employ people on a short-term basis to clear alien vegetation, and cleaning the coast and rehabilitation of the coastal environment. Workers in these programmes – as is the case in other Community Based Public Works Programmes – are paid R30 per day and provided with some training to compensate for the wage 'exploitation'. While the

intention is for them to learn some business or other skills which they can use beyond the life of these programmes, the training is often not enough, and conditions on the ground are not always conducive to the usage of those skills i.e. there are no jobs and no capital opportunities for starting business however small. The reality – except in a few isolated cases – is that these people in their thousands slip back into poverty immediately after the programme has ended. The author works for an organisation which was retained to provide training for the Working for the Coast Programme in the KwaZulu Natal coastline in 2001 and witnessed these constraints of poverty alleviation projects first hand.

Furthermore, the scale of delivery of these projects is so small that very few people have benefited, compared to the number of people who live in poverty estimated to be between 18 and 20 million. For example, it is estimated that the WfW programme has provided employment for some 21 000 people since its inception in 1997, and the WfC provided employment for 1300 people in 2001.

Much fewer than the 2, 427 100 learners targeted to be reached by ABET programmes by 2001 (Department of Education, 1997b:91) have in fact been reached, this is largely because, in spite of political rhetoric, much good and energetic policy, and strong commitment by many ABET activists, the field remained marginalised in South Africa (Aitchison, et al. 2002:5). The NSDS in its current form focuses heavily on the employed and therefore may not contribute much to literacy reduction – which is found primarily among the unemployed. And, the South African National Literacy Initiative is taking too long to beginning delivering literacy programmes.

In the final analysis, with all efforts channeled at changing the conditions of poor people, many people's lives have not changed in any significant way, black people, and women in particular who live in rural areas are the most affected by poverty. In order for these people's lives to change, there will have to be major injection of resources into rural development - hopefully through the ISRDS - targeted and long-term training in various skills necessary for participation in the local economy. Whatever training is provided, it

has to address illiteracy. A number of structural changes in the finance of development programmes and small business have to take place. The attitude of many financial institutions appears to work against the objectives of government in relation to supporting small businesses as they continue with conservative lending practices.

## Chapter Seven

### Conclusion

The previous chapters have in many ways indicated that there is a very strong relationship between the GEAR macroeconomic strategy and social development and ABET. The nature of the relationship is essentially a resource-based relationship. Simply put, it is a relationship of how the GEAR macroeconomic strategy prioritises and allocates resources to social development and ABET, and in turn how social development and ABET can contribute towards growth. This is not surprising as National Treasuries the world over are guided by macro socio-economic frameworks of their governments in how they allocate resources. Understanding this, I set out to undertake a study that not only accepts this but goes a step further to investigate the extent of this relationship. I argue and believe that I have provided evidence as far as possible to prove that underlying how this relationship plays out is based on the economic ideology of the ruling party. The rest of this chapter presents the key conclusions of this study.

#### ***1. Key questions of the study revisited***

I present the conclusions of this study by revisiting the key questions, and attempt to provide answers from the analysis of relevant literature. The key questions are:

- What is the GEAR macroeconomic strategy, how was it developed and by whom?
- What are the key policy propositions for social development in the GEAR macroeconomic strategy?
- What are the indicators of successful social development in the GEAR macroeconomic strategy as against any other policy?

- What references, if any, are there to ABET in the GEAR macroeconomic strategy? If there are silences in the policy, how are they accounted for (especially given their prominence in the RDP)?

### **1.1 What is the GEAR macroeconomic strategy, how was it developed and by whom?**

By its own admission, the GEAR strategy is an economic policy, not concerned with social and sectoral policies (Department of Finance, 1996:14). To reiterate, it is underpinned by neoliberalism, a “philosophy underpinning neo-liberal development which is primarily aimed at stimulating foreign investment, economic growth, global trade and global competition (Groener, 2000:164)”. To illustrate its neo-liberal inclinations, the team that created the GEAR macroeconomic strategy included economists from higher education and financial institutions, and a few government officials. Excluded were unions and other civil society organs, and unlike other government policies and legislation, it was not subjected to public scrutiny before becoming policy. This alone, indicates that much of GEAR is a corporate pact between government and financiers, to the benefit not of the ordinary citizens but that of market capital and the elites in our society.

Despite protests, such as the recent COSATU protests on 30/31 August 2001 and 01/02 October 2002, government has consistently refused to revise the policy to take into account the concerns of other social players.

### **1.2 What are the key policy propositions for social development in the GEAR macroeconomic strategy?**

The GEAR macroeconomic strategy does not make explicit propositions for social development except for (1) its commitment to the goals of the RDP, and (2) job creation in the order of 400 000 per annum by 2000, which would be achieved if the economic growth target of 6% per annum was achieved. The GEAR macroeconomic strategy document states that, “the focus of this document is the overall macroeconomic environment. Social and sectoral policy development cannot be outlined comprehensively here, but a few key linkages between growth, redistribution and new policy direction are highlighted ... (Department of Finance, 1996: 14)”.

For this reason, to be able to answer the research questions, I had to identify and analyse secondary policy with respect to social development and ABET. In terms of economic targets, the GEAR macroeconomic strategy targeted growth in the order of six percent and job creation of 400 000 jobs per annum by the year 2000. This would in turn generate resources to contribute to the overall social development goals as outlined in the RDP. The GEAR macroeconomic strategy, "argued that a growth rate of some 6 percent per annum was needed to impact significantly on the unemployment rate. This in turn required a level of foreign investment in the region of 25 percent of GDP. Based on international studies, there was general agreement that sustained foreign investment rarely surpassed a level of 2-3 percent of GDP (Development Update, 2001a:95)".

Inevitably, neither the economic growth nor the employment growth rate was achieved. This in turn meant that most of the social development goals in areas such as social welfare, poverty reduction, education, which I discussed extensively in previous chapters, were not achieved. Since we operate in a globalised economy, the fall of the Asian markets in 1998, the events of September 11, 2001 in the United States and the collapse of the Argentinean economy at the end of 2001 affected the South African economy.

Some of the government policies in social development and education are very sound in many respects but seem to be failing for among other reasons, lack of resources to finance the implementation of policies – directly related to their prioritization by treasury, the complexity of some of the policies for the context in which they are to be implemented, and lack of capacity on the part of government officials. This often results in budget roll-overs. In this respect, Everatt and Zulu (Development Update 2001b:7) discuss policy versus implementation of rural development programmes and correctly state that, " It has become something of a truism in many quarters to say that the South African government frequently develops policies that are ambitious and developmentally sound, but cannot be fully implemented for various reasons (including lack of capacity

and skills, budgetary problems and so on)".

### **1.3 What are the indicators of successful social development in the GEAR macroeconomic strategy as against any other policy?**

This is perhaps one of the most difficult questions. The reason for this is that the GEAR macroeconomic strategy is not a social development policy and so in the GEAR macroeconomic strategy document there is virtually no mention of social development. Clearly, within the logic of '*economic growth for redistribution thesis*' prevalent in the GEAR macroeconomic strategy, successful development is only considered possible as a result of sustainable economic growth which is itself dependant on direct foreign investment and training.

What also seems prominent in various government social policies is their dependence on private sector contribution in different ways. For example, the Minister of Social Development recently (October 24 & 25, 2002) hosted a development summit, in which government met with the private sector to discuss and agree on a plan for the private sector to adopt various development projects. The worrying factors about this policy position is that the main motive of the private sector is the generation of profits, and therefore to rely on the profit driven sector for the realization of social development goals can be disastrous, as it proves to be in the housing, water and energy sectors (see Bond, 2000; Bond, et al. 2002). It is perhaps in trying to answer this question that the ideological issues come to focus. For this reason, I briefly discuss what seems to be the theory underlying the GEAR macroeconomic strategy in relation to social development and ABET.

At least two theories underpin much of the macroeconomic strategy namely: neoliberalism and the human capital theory in respect to its pronouncements on training. According to Groener (2000:163),

As South Africa emerged from years of isolation and began to integrate itself into the global political economy in the early 1990s it was caught in the maelstrom of the global shift in the North from liberal democratic welfare state compromise to neo-liberalism

which had begun in the 1970s. However, this was also at a time when governments and international agencies of the North were exporting neoliberalism to countries of the South as prescriptions for their socio-political and economic problems.

Although other authors place the period of South Africa's slide into neo-liberalism a little earlier, there is some agreement that the first signs of neo-liberalism in official policy were evident in the White Paper on Reconstruction and Development in 1994. On the other hand, "government has linked its Reconstruction and Development Programme to its macroeconomic strategy arguing that macroeconomic growth was a means to finance the transformational objectives, spelt out in the White Paper on Reconstruction and Development (Groener, 2000:163)". While accepting the "tangential nature of the relationship between the government's goals of social transformation, and its neoliberal macroeconomic strategy", Groener argues that social transformation and neoliberalism are distinctly different. She argues further that neoliberalism development is exclusively directed at generating economic growth, creating conditions favourable for foreign investment and competition.

Also evident in the GEAR macroeconomic strategy and other secondary policies, in particular the Human Resources Development and National Skills Development strategies, is the notion that improved skills is necessarily a prerequisite for economic growth, also known as the human capital theory. This is a decades old conception, as Rubenson (1992:3) points to its prevalence in Canada several decades ago, that,

when many developed societies are faced with their worst economic crises since the Great Depression, the focus once again is on education. Education is the solution to the unemployment problem and it is through education that Canada – like the rest of the world – is going to be able to compete in the world markets in a time of rapid technological restructuring.

He goes on to ask a fundamental question facing proponents of the human capital theory, that, "To what extent and under what conditions can education and especially adult education be part of the answer to today's economic crises (*ibid.*)?" Treating this



question superficially can have serious consequences. The following statement indicates how the South African government embraces the human capital theory.

Government also recognises that job creation and improved living standards require a substantially increased commitment by the business sector to industrial investment and productivity-enhancing training. ... An enhancement of the level and effectiveness of training across all employment sectors is central to this growth strategy. Training underpins productivity improvement by enhancing human capability – across all labour market segments and product lines – to exploit technological flexibility and add value on competitive terms. ... The Department of Labour has embarked on the development of a new human resource development strategy ... (Department of Finance, 1996:19).

After all, the human capital theory is compatible with neoliberal capitalism. The GEAR macroeconomic strategy makes a very direct link between training and productivity which it claims leads to growth. This link is also made very explicitly in most education and training policies, in particular the White on Further Education and Training, 1998 (Department of Education, 1998b), the Human Resources Development Strategy, (Department of Education, 2001a) and the National Skills Development Strategy (Department of Labour, 2001). But there are a number of contradictions apparent in the GEAR macroeconomic strategy and its secondary policies in this regard.

Firstly, though training is projected as one of the pillars of the strategy, the training targets set are substantially low in comparison to the number of people who are in employment. Approximately, 10.4 million people are currently in employment according to the Labour Market Survey (Statistics South Africa, 2002:viii). The learnerships programme targets a minimum of 80 000 people under the age of 30 (this is far less than 1% of people currently in employment), and assuming that all 10.4 million participate in skills programmes, 15% of this number is around 1.5 million and 50% of this number is just over 750 thousand people<sup>9</sup>. This means that less than 1 million of the 10.4 million people will benefit from learnerships and skills programmes according to the success indicators of the first objective of the NSDS, as analysed above.

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<sup>9</sup> These are targets set for the first objective of the Nationals Skills Development Strategy, (DoL, 2001).

Secondly, if training is one of the central pillars of the strategy and only so few people are going to be trained, the success of the strategy hangs in the balance. Of course this is a simplistic way of looking at the situation considering that other people are undergoing training through various other avenues, including further education and training institutions, technikons and universities. Higher education institutions combined – excluding private higher education institutions and technical colleges– only reached 605 000 and 564 000 students in 1998 and 1999 respectively (these figures include foreign students who may not want to enter the South African labour market, as well as South Africans who have their eyes on taking up employment in other countries, as the recent trends have shown). The FET College sector is not terribly effective or even fully operational at this stage; even before the restructuring of this sector, it was failing to attract many learners. The enrolment trend discussed above, means that only three million people will have graduated from tertiary education institution, (assuming that everyone passes by 2005 (DoE, 2001a:28). The number of people gaining skills through this, and the learnership and skills programmes route are not likely to exceed 3.5 out of 10.4 million. At this rate, South Africa will still have skills shortage after the 2005 deadline targeted by the Department of Labour.

Thirdly, the fact that many employers are not participating in skills development, and they regard the skills levies as just another tax which they pay but make no attempt to claim it back, which would mean seriously embarking on skills training, is another cause for concern. The case in hand is the education training and development sector. According to the report given by the Finance Manager of the ETDP SETA to the Levy Chamber of the same SETA in October 2001, out of nearly 4000 employers paying their levies to this SETA, less than 300 submitted their workplace skills plans in 2000 and nearly 900 in 2001. Even with this 300% improvement over a period of one year, it means that this SETA will only get close to 100% participation by employers one year before the targeted date of the strategy. This is not unique to the ETDP SETA. It raises the issue therefore, that if training is so integral to economic growth, failure to achieve

training targets threatens the attainment of economic growth targets and ultimately social development and ABET.

#### **1.4 What reference if any, is there to ABET in the GEAR policy document? If there are silences in the policy, how are they accounted for (especially given their prominence in the RDP)?**

In the text of the GEAR macroeconomic strategy, ABET is not mentioned at all, contrary to the RDP policy framework which had a whole section on adult basic education. In the absence of the mention of ABET in the GEAR strategy, I looked at secondary policies such as the National Skills Development Strategy (DoL, 2001), the Human Resource Development Strategy (DoE, 2001a), the Policy Document on Adult Basic Education and Training (DoE, 1997a), the national Multi- year implementation Plan for Adult Education and Training (DoE, 1997b) the ABET Act, No. 52 of 2000 (Department of Education, 2000c). And the Constitution of the Republic of South Africa, which states that “everyone has a right to education including adult basic education (Office of the President, 1996).”

The analysis of the NSDS, which is arguably the most resourced of all training strategies, suggests that ABET might not benefit much from this either, given the number of people who already have a minimum education level which is above ABET. The HRDS of the Department of Education, mentions ABET very prominently but provides less by way of how it will be provided to all South Africans. It cites the South African National Literacy Initiative as one of the main contributors to the achievement of the goal of eradicating illiteracy. This initiative has been in the making for some 24 months and nothing tangible has happened, at least not of the scale that is required to eradicate illiteracy. According to Salim Vally (quoted in Adams, 2000:89), “The Minister’s hope of eradicating illiteracy among adults and the youth in five years will not be fulfilled because he remains a captive of GEAR”. Adams (2000:100) also concludes that, “The Current neo-liberal context will probably make the dream of lifelong learning an impossibility for millions of South Africa”, given that ABET is defined as a “conceptual foundation for lifelong learning” (Department of Education, 1997a).

In the final analysis, ABET as is every social policy in South Africa suffers from inadequate resources and lack of political will, and therefore its contribution to development is not realised.

## **2.    *Key conclusions of the study***

There are at least five key conclusions of this study:

(1) That GEAR is an elite, market driven policy based on neo-liberal assumptions which depart fundamentally from progressive values. It was developed without the participation of the public and civil society at large against government policy enshrined in the NEDLAC Act, No.35 of 1994 (Office of the President, 1994c), that all social, economic and labour policies would not be introduced in parliament before it is debated and agreed upon at NEDLAC.

(2) That GEAR is based on neo-liberal assumptions that growth, employment and redistribution are best achieved by minimising the role of the state and allowing the markets to drive the economy (Development Update, 2001a:96), despite evidence to the contrary (May, et al. quoted in the Development Update, 2001a:94). This is evident in the government policy on privatisation of state assets, especially those meant to benefit the poor such as water, communications and electricity.

(3) That GEAR macroeconomic strategy has failed to achieve its targets, and indications are that it is unlikely to achieve its targets in the future, given the high level of inequality and continuing upward trend of unemployment, and that the level of foreign investment required to achieve the growth and employment target is almost 10 times more than the international average of 2-3 percent of GDP growth and therefore unachievable in the short term (Ibid.).

(4) that the existing socio-economic development policies and strategies in South Africa, while they intend to lift the poor from poverty and underdevelopment, in reality they perpetuate the past imbalances by benefiting those who are in privileged positions.

Evidence of this is found in (a) the financing of rural roads development evident in the allocation of responsibility for national roads to the National Roads Agency – a profit making entity with a firm source of revenue from toll fees and petrol levies – other roads are responsibility for provincial and local government. Both the provincial and local government suffer from inadequate budget, provincial government get allocations from treasury while local government depends largely from municipal revenue, and most municipalities are broke. (b) The National Skills Development Strategy, which by design will benefit those in employment rather than the unemployed. (c) The financing of development programmes, starting with how the Transitional National Development Trust (TNDT) spent by far the largest of its funds (42%) on Gauteng, one of the most developed provinces of South Africa as against 15.2% in KwaZulu Natal, 13.9 in Eastern Cape, and 15.8 in Limpopo, by far the poorest provinces (Aitchison, et al. 2000:85). (d) The National Development Agency has continued the same trend as the TNDT and excelled, with its annual reports for 2000/1 showing the picture represented in Table 4 above.

(5) The GEAR macroeconomic strategy in its current form fails to drive social development and provision of ABET. The fact that it is based on neoliberal assumptions, and there is a movement throughout the developing countries of the world against neoliberalism and globalisation, a more appropriate alternative solution has to be found for South Africa.

May *et al.* (quoted in Development Update, 2001a:94) sums up the debate on how best to address poverty, while government on one hand maintains that the GEAR macroeconomic strategy was a prerequisite for growth as follows:

Research has shown that countries that start off with significant inequality experience lower growth rates than those that start off without such inequality. This is because inequalities in physical, financial and human assets are likely to constrain poor people from participating effectively and efficiently in the economy. This could either lead to inequitable growth or, depending on the depth of poverty and inequality to low growth.

The experience of the East Asian Countries in particular indicates that one of the dimensions that buttressed their high economic growth rates has been the implementation of policies that focus on a more equitable human resource development. Increasing access of the poor sections of society to productive assets is another important dimension... The results of high economic growth and rapid reduction in poverty and inequality were achieved through a combination of market-oriented and interventionist policies.

In South Africa it seems likely that the perpetuation of extreme inequality will act as a brake on the achievement of government's ambitious growth targets. Moreover, the current sluggishness in employment creation already suggests that even if higher growth rates are achieved, a noticeable reduction in poverty or inequality might not follow... It seems, then, that South Africa can pursue more redistributive policies without undermining current growth objectives; indeed, it is likely that such policies would promote growth.

### **3. *Concluding remarks***

Studies of this nature tend to raise more questions than provide answers. One of the major issues to arise out of this study is a need for research around alternative strategies or models of macroeconomic planning that strikes a balance between social development and economic growth and benefit poor people. Generally, the debates around GEAR have moved to a level where the importance of economic growth to finance social development is not questioned but what is questioned is its neoliberal assumptions about how that growth can be achieved. There are no easy solutions, however, models which take into account the prevailing social conditions, and address them while growing the economy need to be researched.

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